



Rep. Robert Rita

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LRB098 10559 AMC 46792 a

1 AMENDMENT TO SENATE BILL 1739

2 AMENDMENT NO. _____. Amend Senate Bill 1739, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 1.

6 Section 1-1. Short title. This Article may be cited as the
7 Chicago Casino Development Authority Act. References in this
8 Article to "this Act" mean this Article.

9 Section 1-2. Legislative intent.

10 (a) This Act is intended to benefit the people of the City
11 of Chicago and the State of Illinois by assisting economic
12 development and promoting tourism and by increasing the amount
13 of revenues available to the City and the State to assist and
14 support education.

15 (b) While authorization of casino gambling in Chicago will

1 enhance investment, development, and tourism in Illinois, it is
2 recognized that it will do so successfully only if public
3 confidence and trust in the credibility and integrity of the
4 gambling operations and the regulatory process is maintained.
5 Therefore, the provisions of this Act are designed to allow the
6 Illinois Gaming Board to strictly regulate the facilities,
7 persons, associations, and practices related to gambling
8 operations pursuant to the police powers of the State,
9 including comprehensive law enforcement supervision.
10 Consistent with the Gaming Board's authority, the Gaming Board
11 alone shall regulate any Chicago casino, just as it now
12 regulates every other casino in Illinois.

13 Section 1-5. Definitions. As used in this Act:

14 "Authority" means the Chicago Casino Development Authority
15 created by this Act.

16 "Casino" means one temporary land-based or water-based
17 facility and one permanent land-based or water-based facility
18 at which lawful gambling is authorized and licensed as provided
19 in the Illinois Gambling Act.

20 "Casino Board" means the board appointed pursuant to this
21 Act to govern and control the Authority.

22 "Casino management contract" means a legally binding
23 agreement between the Authority and a casino operator licensee
24 to operate or manage a casino.

25 "Casino operator licensee" means any person or entity

1 selected by the Authority and approved and licensed by the
2 Gaming Board to manage and operate a casino within the City of
3 Chicago pursuant to a casino management contract.

4 "City" means the City of Chicago.

5 "Entity" means a corporation, joint venture, partnership,
6 limited liability company, trust, or unincorporated
7 association.

8 "Executive director" means the person appointed by the
9 Casino Board to oversee the daily operations of the Authority.

10 "Gaming Board" means the Illinois Gaming Board created by
11 the Illinois Gambling Act.

12 "Mayor" means the Mayor of the City.

13 Section 1-12. Creation of the Authority. There is hereby
14 created a political subdivision, unit of local government with
15 only the powers authorized by law, body politic, and municipal
16 corporation, by the name and style of the Chicago Casino
17 Development Authority.

18 Section 1-13. Duties of the Authority. It shall be the duty
19 of the Authority, as an owners licensee under the Illinois
20 Gambling Act, to promote and maintain a casino in the City. The
21 Authority shall own, acquire, construct, lease, equip, and
22 maintain grounds, buildings, and facilities for that purpose.
23 However, the Authority shall contract with a casino operator
24 licensee to manage and operate the casino and in no event shall

1 the Authority or City manage or operate the casino. The
2 Authority may contract pursuant to the procedures set forth in
3 Section 1-115 with other third parties in order to fulfill its
4 purpose. The Authority is responsible for the payment of any
5 fees required of a casino operator under subsection (a) of
6 Section 7.8 of the Illinois Gambling Act if the casino operator
7 licensee is late in paying any such fees. The Authority is
8 granted all rights and powers necessary to perform such duties.
9 Subject to the provisions of this Act, the Authority and casino
10 operator licensee are subject to the Illinois Gambling Act and
11 all of the rules of the Gaming Board, which shall be applied to
12 the Authority and the casino operator licensee in a manner
13 consistent with that of other owners licensees under the
14 Illinois Gambling Act. Nothing in this Act shall confer
15 regulatory authority on the Chicago Casino Development
16 Authority. The Illinois Gaming Board shall have exclusive
17 regulatory authority over all gambling operations governed by
18 this Act.

19 Section 1-15. Casino Board.

20 (a) The governing and administrative powers of the
21 Authority shall be vested in a body known as the Chicago Casino
22 Development Board. The Casino Board shall consist of 5 members
23 appointed by the Mayor. One of these members shall be
24 designated by the Mayor to serve as chairperson. All of the
25 members appointed by the Mayor shall be residents of the City.

1 Members of the Board must include the following:

2 (A) One member who has received, at a minimum, a
3 bachelor's degree from an accredited school and at least 10
4 years of verifiable training and experience in the fields
5 of investigation and law enforcement.

6 (B) One member who is a certified public accountant
7 with experience in auditing and with knowledge of complex
8 corporate structures and transactions.

9 (C) One member who has 5 years' experience as a
10 principal, senior officer, or director of a company or
11 business with either material responsibility for the daily
12 operations and management of the overall company or
13 business or material responsibility for the policy making
14 of the company or business.

15 (D) One member who is a lawyer licensed to practice law
16 in Illinois.

17 Each Casino Board appointee shall be subject to a
18 preliminary background investigation completed by the Gaming
19 Board within 30 days after the appointee's submission of his or
20 her application to the Gaming Board. If the Gaming Board
21 determines that there is a substantial likelihood that it will
22 not find the appointee to be suitable to serve on the Casino
23 Board (applying the same standards for suitability to the
24 appointee as the Gaming Board would apply to an owners licensee
25 key person under the Gaming Board's adopted rules), then the
26 Gaming Board shall provide a written notice of such

1 determination to the appointee and the Corporation Counsel of
2 the City. The Mayor may then appoint a new candidate. If no
3 such notice is delivered with respect to a particular
4 appointee, then commencing on the 31st day following the date
5 of the appointee's submission of his or her application to the
6 Gaming Board, the appointee shall be deemed an acting member of
7 the Casino Board and shall participate as a Casino Board
8 member.

9 Each appointee shall be subject to a full background
10 investigation and final approval by the Gaming Board prior to
11 the opening of the casino. The Gaming Board shall complete its
12 full background investigation of the Casino Board appointee
13 within 3 months after the date of the appointee's submission of
14 his or her application to the Gaming Board. If the Gaming Board
15 does not complete its background investigation within the
16 3-month period, then the Gaming Board shall give a written
17 explanation to the appointee, as well as the Mayor, the
18 Governor, the President of the Senate, and the Speaker of the
19 House of Representatives, as to why it has not reached a final
20 determination and set forth a reasonable time when such
21 determination shall be made.

22 (b) Casino Board members shall receive \$300 for each day
23 the Authority meets and shall be entitled to reimbursement of
24 reasonable expenses incurred in the performance of their
25 official duties. A Casino Board member who serves in the office
26 of secretary-treasurer may also receive compensation for

1 services provided as that officer.

2 Section 1-20. Terms of appointments; resignation and
3 removal.

4 (a) The Mayor shall appoint 2 members of the Casino Board
5 for an initial term expiring July 1 of the year following final
6 approval by the Gaming Board, 2 members for an initial term
7 expiring July 1 three years following final approval by the
8 Gaming Board, and one member for an initial term expiring July
9 1 five years following final approval by the Gaming Board.

10 (b) All successors shall be appointed by the Mayor to hold
11 office for a term of 5 years from the first day of July of the
12 year in which they are appointed, except in the case of an
13 appointment to fill a vacancy. Each member, including the
14 chairperson, shall hold office until the expiration of his or
15 her term and until his or her successor is appointed and
16 qualified. Nothing shall preclude a member from serving
17 consecutive terms. Any member may resign from office, to take
18 effect when a successor has been appointed and qualified. A
19 vacancy in office shall occur in the case of a member's death
20 or indictment, conviction, or plea of guilty to a felony. A
21 vacancy shall be filled for the unexpired term by the Mayor
22 subject to the approval of the Gaming Board as provided in this
23 Section.

24 (c) Members of the Casino Board shall serve at the pleasure
25 of the Mayor. The Mayor or the Gaming Board may remove any

1 member of the Casino Board upon a finding of incompetence,
2 neglect of duty, or misfeasance or malfeasance in office or for
3 a violation of this Act. The Gaming Board may remove any member
4 of the Casino Board for any violation of the Illinois Gambling
5 Act or the rules and regulations of the Gaming Board.

6 (d) No member of the Casino Board shall engage in any
7 political activity. For the purpose of this Section, "political
8 activity" means any activity in support of or in connection
9 with any campaign for federal, State, or local elective office
10 or any political organization, but does not include activities
11 (i) relating to the support or opposition of any executive,
12 legislative, or administrative action, as those terms are
13 defined in Section 2 of the Lobbyist Registration Act, (ii)
14 relating to collective bargaining, or (iii) that are otherwise
15 in furtherance of the person's official duties or governmental
16 and public service functions.

17 Section 1-25. Organization of Casino Board; meetings.
18 After appointment by the Mayor, the Casino Board shall organize
19 for the transaction of business, provided that the Casino Board
20 shall not take any formal action until after the Gaming Board
21 has completed its preliminary background investigation of at
22 least a quorum of the Casino Board as provided in subsection
23 (a) of Section 1-15. The Casino Board shall prescribe the time
24 and place for meetings, the manner in which special meetings
25 may be called, and the notice that must be given to members.

1 All actions and meetings of the Casino Board shall be subject
2 to the provisions of the Open Meetings Act. Three members of
3 the Casino Board shall constitute a quorum. All substantive
4 action of the Casino Board shall be by resolution with an
5 affirmative vote of a majority of the members.

6 Section 1-30. Executive director; officers.

7 (a) The Casino Board shall appoint an executive director,
8 who shall be the chief executive officer of the Authority.

9 The executive director shall be subject to a preliminary
10 background investigation to be completed by the Gaming Board
11 within 30 days after the executive director's submission of his
12 or her application to the Gaming Board. If the Gaming Board
13 determines that there is a substantial likelihood that it will
14 not find the executive director to be suitable to serve in that
15 position (applying the same standards for suitability as the
16 Gaming Board would apply to an owners licensee key person under
17 the Gaming Board's adopted rules), then the Gaming Board shall
18 provide a written notice of such determination to the appointee
19 and the Corporation Counsel of the City. The Casino Board may
20 then appoint a new executive director. If no such notice is
21 delivered, then commencing on the 31st day following the date
22 of the executive director's submission of his or her
23 application to the Gaming Board, the executive director shall
24 commence all duties as the acting executive director of the
25 Authority.

1 The executive director shall be subject to a full
2 background investigation and final approval by the Gaming Board
3 prior to the opening of the casino. The Gaming Board shall
4 complete its full background investigation of the executive
5 director within 3 months after the date of the executive
6 director's submission of his or her application to the Gaming
7 Board. If the Gaming Board does not complete its background
8 investigation within the 3-month period, then the Gaming Board
9 shall give a written explanation to the appointee, as well as
10 the Mayor, the Governor, the President of the Senate, and the
11 Speaker of the House of Representatives, as to why it has not
12 reached a final determination and set forth a reasonable time
13 when such determination shall be made.

14 (b) The Casino Board shall fix the compensation of the
15 executive director. Subject to the general control of the
16 Casino Board, the executive director shall be responsible for
17 the management of the business, properties, and employees of
18 the Authority. The executive director shall direct the
19 enforcement of all resolutions, rules, and regulations of the
20 Casino Board, and shall perform such other duties as may be
21 prescribed from time to time by the Casino Board. All employees
22 and independent contractors, consultants, engineers,
23 architects, accountants, attorneys, financial experts,
24 construction experts and personnel, superintendents, managers,
25 and other personnel appointed or employed pursuant to this Act
26 shall report to the executive director. In addition to any

1 other duties set forth in this Act, the executive director
2 shall do or shall delegate to an employee or agent of the
3 Authority to do all of the following:

4 (1) Direct and supervise the administrative affairs
5 and activities of the Authority in accordance with its
6 rules, regulations, and policies.

7 (2) Attend meetings of the Casino Board.

8 (3) Keep minutes of all proceedings of the Casino
9 Board.

10 (4) Approve all accounts for salaries, per diem
11 payments, and allowable expenses of the Casino Board and
12 its employees and consultants.

13 (5) Report and make recommendations to the Casino Board
14 concerning the terms and conditions of any casino
15 management contract.

16 (6) Perform any other duty that the Casino Board
17 requires for carrying out the provisions of this Act.

18 (7) Devote his or her full time to the duties of the
19 office and not hold any other office or employment.

20 (c) The Casino Board may select a secretary-treasurer and
21 other officers to hold office at the pleasure of the Casino
22 Board. The Casino Board shall fix the duties of such officers.

23 Section 1-31. General rights and powers of the Authority.

24 (a) In addition to the duties and powers set forth in this
25 Act, the Authority shall have the following rights and powers:

- 1 (1) Adopt and alter an official seal.
- 2 (2) Establish and change its fiscal year.
- 3 (3) Sue and be sued, plead and be impleaded, all in its
4 own name, and agree to binding arbitration of any dispute
5 to which it is a party.
- 6 (4) Adopt, amend, and repeal bylaws, rules, and
7 regulations consistent with the furtherance of the powers
8 and duties provided for.
- 9 (5) Maintain its principal office within the City and
10 such other offices as the Casino Board may designate.
- 11 (6) Select locations in the City for a temporary and a
12 permanent casino.
- 13 (7) Subject to the bidding procedures of Section 1-115
14 of this Act, retain or employ, either as regular employees
15 or independent contractors, consultants, engineers,
16 architects, accountants, attorneys, financial experts,
17 construction experts and personnel, superintendents,
18 managers and other professional personnel, and such other
19 personnel as may be necessary in the judgment of the Casino
20 Board, and fix their compensation; however, employees of
21 the Authority shall be hired pursuant to and in accordance
22 with the rules and policies the Authority may adopt.
- 23 (8) Pursuant to Section 1-115 of this Act, own,
24 acquire, construct, equip, lease, operate, manage, and
25 maintain grounds, buildings, and facilities to carry out
26 its corporate purposes and duties.

1 (9) Pursuant to Section 1-115, and subject to the
2 oversight, review, and approval of the Gaming Board, enter
3 into, revoke, and modify contracts in accordance with the
4 rules of the Gaming Board as consistently applied to all
5 owners licensees under the Illinois Gambling Act, provided
6 that the Authority may enter into contracts for the design,
7 construction, and outfitting of a temporary casino prior to
8 the Gaming Board's final approval of the Authority's
9 executive director and the members of the Casino Board and
10 prior to the Gaming Board's issuance of the Authority's
11 owners license. Provided further that the entities
12 selected by the Authority for the design, construction, and
13 outfitting of the temporary casino shall be subject to a
14 preliminary background investigation to be completed by
15 the Gaming Board within 30 days after the Gaming Board is
16 provided the identities of the entities. If the Gaming
17 Board determines that there is a substantial likelihood
18 that the entities are not suitable or acceptable to perform
19 their respective functions, then the Gaming Board shall
20 immediately provide notice of that determination to the
21 Authority. If no such notice is delivered, then, commencing
22 on the 31st day following the date on which the information
23 identifying such entities is provided to the Gaming Board,
24 such entities shall be permitted to commence the services
25 contemplated for the design, construction, and outfitting
26 of the temporary casino. In no event, however, shall the

1 Authority open a casino until after the Gaming Board has
2 finally approved the Authority's executive director and
3 the members of the Casino Board and the Gaming Board has
4 issued the Authority's owners license and the casino
5 operator's casino operator license.

6 (10) Enter into a casino management contract subject to
7 the provisions of Section 1-45 of this Act.

8 (11) Negotiate and enter into intergovernmental
9 agreements with the State and its agencies, the City, and
10 other units of local government, in furtherance of the
11 powers and duties of the Casino Board.

12 (12) Receive and disburse funds for its own corporate
13 purposes or as otherwise specified in this Act.

14 (13) Borrow money from any source, public or private,
15 for any corporate purpose, including, without limitation,
16 working capital for its operations, reserve funds, or
17 payment of interest, and to mortgage, pledge, or otherwise
18 encumber the property or funds of the Authority and to
19 contract with or engage the services of any person in
20 connection with any financing, including financial
21 institutions, issuers of letters of credit, or insurers and
22 enter into reimbursement agreements with this person or
23 entity which may be secured as if money were borrowed from
24 the person or entity.

25 (14) Issue bonds as provided for under this Act.

26 (15) Receive and accept from any source, private or

1 public, contributions, gifts, or grants of money or
2 property to the Authority.

3 (16) Provide for the insurance of any property,
4 operations, officers, members, agents, or employees of the
5 Authority against any risk or hazard, to self-insure or
6 participate in joint self-insurance pools or entities to
7 insure against such risk or hazard, and to provide for the
8 indemnification of its officers, members, employees,
9 contractors, or agents against any and all risks.

10 (17) Exercise all the corporate powers granted
11 Illinois corporations under the Business Corporation Act
12 of 1983, except to the extent that the powers are
13 inconsistent with those of a body politic and municipal
14 corporation.

15 (18) Do all things necessary or convenient to carry out
16 the powers granted by this Act.

17 (b) The Casino Board shall comply with all applicable legal
18 requirements imposed on other owners licensees to conduct all
19 background investigations required under the Illinois Gambling
20 Act and the rules of the Gaming Board. This requirement shall
21 also extend to senior legal, financial, and administrative
22 staff of the Authority.

23 Section 1-32. Ethical conduct.

24 (a) Casino Board members and employees of the Authority
25 must carry out their duties and responsibilities in such a

1 manner as to promote and preserve public trust and confidence
2 in the integrity and conduct of gaming.

3 (b) Except as may be required in the conduct of official
4 duties, Casino Board members and employees of the Authority
5 shall not engage in gambling on any riverboat, in any casino,
6 or in an electronic gaming facility licensed by the Illinois
7 Gaming Board or engage in legalized gambling in any
8 establishment identified by Gaming Board action that, in the
9 judgment of the Gaming Board, could represent a potential for a
10 conflict of interest.

11 (c) A Casino Board member or employee of the Authority
12 shall not use or attempt to use his or her official position to
13 secure or attempt to secure any privilege, advantage, favor, or
14 influence for himself or herself or others.

15 (d) Casino Board members and employees of the Authority
16 shall not hold or pursue employment, office, position,
17 business, or occupation that may conflict with his or her
18 official duties. Employees may engage in other gainful
19 employment so long as that employment does not interfere or
20 conflict with their duties. Such employment must be disclosed
21 to the executive director and approved by the Casino Board.

22 (e) Casino Board members, employees of the Authority, and
23 elected officials and employees of the City may not engage in
24 employment, communications, or any activity identified by the
25 Casino Board or Gaming Board that, in the judgment of either
26 entity, could represent the potential for or the appearance of

1 a conflict of interest.

2 (f) Casino Board members, employees of the Authority, and
3 elected officials and employees of the City may not have a
4 financial interest, directly or indirectly, in his or her own
5 name or in the name of any other person, partnership,
6 association, trust, corporation, or other entity in any
7 contract or subcontract for the performance of any work for the
8 Authority. This prohibition shall extend to the holding or
9 acquisition of an interest in any entity identified by the
10 Casino Board or the Gaming Board that, in the judgment of
11 either entity, could represent the potential for or the
12 appearance of a financial interest. The holding or acquisition
13 of an interest in such entities through an indirect means, such
14 as through a mutual fund, shall not be prohibited, except that
15 the Gaming Board may identify specific investments or funds
16 that, in its judgment, are so influenced by gaming holdings as
17 to represent the potential for or the appearance of a conflict
18 of interest.

19 (g) Casino Board members, employees of the Authority, and
20 elected officials and employees of the City may not accept any
21 gift, gratuity, service, compensation, travel, lodging, or
22 thing of value, with the exception of unsolicited items of an
23 incidental nature, from any person, corporation, or entity
24 doing business with the Authority.

25 (h) No Casino Board member, employee of the Authority, or
26 elected official or employee of the City may, during employment

1 or within a period of 2 years immediately after termination of
2 employment, knowingly accept employment or receive
3 compensation or fees for services from a person or entity, or
4 its parent or affiliate, that has engaged in business with the
5 Authority that resulted in contracts with an aggregate value of
6 at least \$25,000 or if that Casino Board member or employee has
7 made a decision that directly applied to the person or entity,
8 or its parent or affiliate.

9 (i) A spouse, child, or parent of a Casino Board member,
10 employee of the Authority, or elected official or employee of
11 the City may not have a financial interest, directly or
12 indirectly, in his or her own name or in the name of any other
13 person, partnership, association, trust, corporation, or other
14 entity in any contract or subcontract for the performance of
15 any work for the Authority. This prohibition shall extend to
16 the holding or acquisition of an interest in any entity
17 identified by the Casino Board or Gaming Board that, in the
18 judgment of either entity, could represent the potential for or
19 the appearance of a conflict of interest. The holding or
20 acquisition of an interest in such entities through an indirect
21 means, such as through a mutual fund, shall not be prohibited,
22 except that the Gaming Board may identify specific investments
23 or funds that, in its judgment, are so influenced by gaming
24 holdings as to represent the potential for or the appearance of
25 a conflict of interest.

26 (j) A spouse, child, or parent of a Casino Board member,

1 employee of the Authority, or elected official or employee of
2 the City may not accept any gift, gratuity, service,
3 compensation, travel, lodging, or thing of value, with the
4 exception of unsolicited items of an incidental nature, from
5 any person, corporation, or entity doing business with the
6 Authority.

7 (k) A spouse, child, or parent of a Casino Board member,
8 employee of the Authority, or elected official or employee of
9 the City may not, while the person is a Board member or
10 employee of the spouse or within a period of 2 years
11 immediately after termination of employment, knowingly accept
12 employment or receive compensation or fees for services from a
13 person or entity, or its parent or affiliate, that has engaged
14 in business with the Authority that resulted in contracts with
15 an aggregate value of at least \$25,000 or if that Casino Board
16 member, employee, or elected official or employee of the City
17 has made a decision that directly applied to the person or
18 entity, or its parent or affiliate.

19 (l) No Casino Board member, employee of the Authority, or
20 elected official or employee of the City may attempt, in any
21 way, to influence any person or entity doing business with the
22 Authority or any officer, agent, or employee thereof to hire or
23 contract with any person or entity for any compensated work.

24 (m) No Casino Board member, employee of the Authority, or
25 elected official or employee of the City shall use or attempt
26 to use his or her official position to secure, or attempt to

1 secure, any privilege, advantage, favor, or influence for
2 himself or herself or others. No Casino Board member, employee
3 of the Authority, or elected official or employee of the City
4 shall, within one year immediately preceding appointment by the
5 Mayor or employment, have been employed or received
6 compensation or fees for services from a person or entity, or
7 its parent or affiliate, that has engaged in business with the
8 Casino Board, a licensee under this Act, or a licensee under
9 the Illinois Gambling Act.

10 (n) Any communication between an elected official of the
11 City and any applicant for or party to a casino management
12 contract with the Authority, or an officer, director, or
13 employee thereof, concerning any matter relating in any way to
14 gaming or the Authority shall be disclosed to the Casino Board
15 and the Gaming Board. Such disclosure shall be in writing by
16 the official within 30 days after the communication and shall
17 be filed with the Casino Board and the Gaming Board. Disclosure
18 must consist of the date of the communication, the identity and
19 job title of the person with whom the communication was made, a
20 brief summary of the communication, the action requested or
21 recommended, all responses made, the identity and job title of
22 the person making the response, and any other pertinent
23 information. In addition, if the communication is written or
24 digital, then the entire communication shall be disclosed.

25 Public disclosure of the written summary provided to the
26 Casino Board and the Gaming Board shall be subject to the

1 exemptions provided under Section 7 of the Freedom of
2 Information Act.

3 This subsection (n) shall not apply to communications
4 regarding traffic, law enforcement, security, environmental
5 issues, City services, transportation, or other routine
6 matters concerning the ordinary operations of the casino.

7 (o) For purposes of this Section:

8 "Ordinary operations" means operations relating to the
9 casino facility other than the conduct of gambling activities.

10 "Routine matters" includes the application for, issuance,
11 renewal, and other processes associated with City permits and
12 licenses.

13 "Employee of the City" means only those employees of the
14 City who provide services to the Authority or otherwise
15 influence the decisions of the Authority or the Casino Board.

16 (p) Any Casino Board member or employee of the Authority
17 who violates any provision of this Section is guilty of a Class
18 4 felony.

19 Section 1-45. Casino management contracts.

20 (a) In accordance with all applicable procurement laws and
21 rules, the Casino Board shall develop and administer a
22 competitive sealed bidding process for the selection of a
23 potential casino operator licensee to develop or operate a
24 casino within the City. The Casino Board shall issue one or
25 more requests for proposals. The Casino Board may establish

1 minimum financial and investment requirements to determine the
2 eligibility of persons to respond to the Casino Board's
3 requests for proposals, and may establish and consider such
4 other criteria as it deems appropriate. The Casino Board may
5 impose a reasonable fee upon persons who respond to requests
6 for proposals, in order to reimburse the Casino Board for its
7 costs in preparing and issuing the requests and reviewing the
8 proposals. At least 30 days prior to the commencement of the
9 competitive bidding process, the Gaming Board shall be given an
10 opportunity to review the competitive bidding process
11 established by the Casino Board. During the competitive bidding
12 process, the Casino Board shall keep the Gaming Board apprised
13 of the process and the responses received in connection with
14 the Casino Board's requests for proposals.

15 (b) Within 5 business days after the time limit for
16 submitting bids and proposals has passed, the Casino Board
17 shall make all bids and proposals public, provided, however,
18 the Casino Board shall not be required to disclose any
19 information which would be exempt from disclosure under Section
20 7 of the Freedom of Information Act. Thereafter, the Casino
21 Board shall evaluate the responses to its requests for
22 proposals and the ability of all persons or entities responding
23 to its requests for proposals to meet the requirements of this
24 Act and any relevant provisions of the Illinois Gambling Act
25 and to undertake and perform the obligations set forth in its
26 requests for proposals.

1 (c) After reviewing proposals and selecting a successful
2 bidder, the Casino Board shall enter into a casino management
3 contract with the successful bidder authorizing the operation
4 of a casino. The casino operator shall be subject to a
5 background investigation and approval by the Gaming Board. The
6 Gaming Board shall complete its background investigation and
7 approval of the casino operator within 6 months after the date
8 that the proposed casino operator submits its application to
9 the Gaming Board. If the Gaming Board does not complete its
10 background investigation and approval within the 6-month
11 period, then the Gaming Board shall give a written explanation
12 to the proposed casino operator and the chief legal officer of
13 the Authority as to why it has not reached a final
14 determination and when it reasonably expects to make a final
15 determination. Validity of the casino management contract is
16 contingent upon the issuance of a casino operator license to
17 the successful bidder. If the Gaming Board grants a casino
18 operator license, the Casino Board shall transmit a copy of the
19 executed casino management contract to the Gaming Board.

20 (d) After (1) the Authority has been issued an owners
21 license, (2) the Gaming Board has issued a casino operator
22 license, and (3) the Gaming Board has approved the members of
23 the Casino Board, the Authority may conduct gaming operations
24 at a temporary facility, subject to the adopted rules of the
25 Gaming Board, for no longer than 24 months after gaming
26 operations begin. The Gaming Board may, after holding a public

1 hearing, grant an extension so long as a permanent facility is
2 not operational and the Authority is working in good faith to
3 complete the permanent facility. The Gaming Board may grant
4 additional extensions following further public hearings. Each
5 extension may be for a period of no longer than 6 months.

6 (e) Fifty percent of any initial consideration received by
7 the Authority that was paid as an inducement pursuant to a bid
8 for a casino management contract or an executed casino
9 management contract must be transmitted to the State and
10 deposited into the Gaming Facilities Fee Revenue Fund. The
11 initial consideration shall not include (1) any amounts paid to
12 the Authority as reimbursement for its costs in preparing or
13 issuing the requests for proposals and reviewing the proposals
14 or (2) any amounts loaned to the Authority or paid by an entity
15 on behalf of the Authority for the design, construction,
16 outfitting, or equipping of the casino, pre-opening expenses,
17 bank roll or similar expenses required to open and operate the
18 casino, or any license or per position fees imposed pursuant to
19 the Illinois Gambling Act or any other financial obligation of
20 the Authority.

21 Section 1-47. Freedom of Information Act. The Authority
22 shall be a public body as defined in the Freedom of Information
23 Act and shall be subject to the provisions of the Freedom of
24 Information Act.

1 Section 1-50. Transfer of funds. The revenues received by
2 the Authority (other than amounts required to be paid pursuant
3 to the Illinois Gambling Act and amounts required to pay the
4 operating expenses of the Authority, to pay amounts due the
5 casino operator licensee pursuant to a casino management
6 contract, to repay any borrowing of the Authority made pursuant
7 to Section 1-31, to pay debt service on any bonds issued under
8 Section 1-75, and to pay any expenses in connection with the
9 issuance of such bonds pursuant to Section 1-75 or derivative
10 products pursuant to Section 1-85) shall be transferred to the
11 City by the Authority. Moneys transferred to the City pursuant
12 to this Section shall be expended or obligated by the City for
13 the construction, maintenance, and modernization of schools.

14 Section 1-60. Auditor General.

15 (a) Prior to the issuance of bonds under this Act, the
16 Authority shall submit to the Auditor General a certification
17 that:

18 (1) it is legally authorized to issue bonds;

19 (2) scheduled annual payments of principal and
20 interest on the bonds to be issued meet the requirements of
21 Section 1-75 of this Act;

22 (3) no bond shall mature later than 30 years; and

23 (4) after payment of costs of issuance and necessary
24 deposits to funds and accounts established with respect to
25 debt service on the bonds, the net bond proceeds (exclusive

1 of any proceeds to be used to refund outstanding bonds)
2 will be used only for the purposes set forth in this Act.

3 The Authority also shall submit to the Auditor General its
4 projections on revenues to be generated and pledged to
5 repayment of the bonds as scheduled and such other information
6 as the Auditor General may reasonably request.

7 The Auditor General shall examine the certifications and
8 information submitted and submit a report to the Authority and
9 the Gaming Board indicating whether the required
10 certifications, projections, and other information have been
11 submitted by the Authority and whether the assumptions
12 underlying the projections are not unreasonable in the
13 aggregate. The Auditor General shall submit the report no later
14 than 60 days after receiving the information required to be
15 submitted by the Authority.

16 The Auditor General shall submit a bill to the Authority
17 for costs associated with the examinations and report required
18 under this Section. The Authority shall reimburse in a timely
19 manner.

20 (b) The Authority shall enter into an intergovernmental
21 agreement with the Auditor General authorizing the Auditor
22 General to, every 2 years, (i) review the financial audit of
23 the Authority performed by the Authority's certified public
24 accountants, (ii) perform a management audit of the Authority,
25 and (iii) perform a management audit of the casino operator
26 licensee. The Auditor General shall provide the Authority and

1 the General Assembly with the audits and shall post on his or
2 her Internet website such portions of the audit or other
3 financial information as generally would be made publicly
4 available for other owners licensees under the Illinois
5 Gambling Act. The Auditor General shall submit a bill to the
6 Authority for costs associated with the review and the audit
7 required under this Section, which costs shall not exceed
8 \$100,000, and the Authority shall reimburse the Auditor General
9 for such costs in a timely manner.

10 Section 1-62. Advisory committee. An Advisory Committee is
11 established to monitor, review, and report on (1) the
12 Authority's utilization of minority-owned business enterprises
13 and female-owned business enterprises, (2) employment of
14 females, and (3) employment of minorities with regard to the
15 development and construction of the casino as authorized under
16 Section 7 of the Illinois Gambling Act. The Authority shall
17 work with the Advisory Committee in accumulating necessary
18 information for the Committee to submit reports, as necessary,
19 to the General Assembly and to the City.

20 The Committee shall consist of 9 members as provided in
21 this Section. Five members shall be selected by the Governor
22 and 4 members shall be selected by the Mayor. The Governor and
23 Mayor shall each appoint at least one current member of the
24 General Assembly. The Advisory Committee shall meet
25 periodically and shall report the information to the Mayor of

1 the City and to the General Assembly by December 31st of every
2 year.

3 The Advisory Committee shall be dissolved on the date that
4 casino gambling operations are first conducted at a permanent
5 facility under the license authorized under Section 7 of the
6 Illinois Gambling Act. For the purposes of this Section, the
7 terms "female" and "minority person" have the meanings provided
8 in Section 2 of the Business Enterprise for Minorities,
9 Females, and Persons with Disabilities Act.

10 Section 1-65. Acquisition of property; eminent domain
11 proceedings. For the lawful purposes of this Act, the City may
12 acquire, by eminent domain or by condemnation proceedings in
13 the manner provided by the Eminent Domain Act, real or personal
14 property or interests in real or personal property located in
15 the City, and the City may convey to the Authority property so
16 acquired. The acquisition of property under this Section is
17 declared to be for a public use.

18 Section 1-67. Gaming at Chicago airports prohibited. The
19 Authority may not conduct gaming operations in an airport.

20 Section 1-70. Local regulation. In addition to this Act,
21 the Illinois Gambling Act, and all of the rules of the Gaming
22 Board, the casino facilities and operations therein shall be
23 subject to all ordinances and regulations of the City. The

1 construction, development, and operation of the casino shall
2 comply with all ordinances, regulations, rules, and controls of
3 the City, including, but not limited to, those relating to
4 zoning and planned development, building, fire prevention, and
5 land use. However, the regulation of gaming operations is
6 subject to the exclusive jurisdiction of the Gaming Board. The
7 Gaming Board shall be responsible for the investigation for and
8 issuance of all licenses required by this Act and the Illinois
9 Gambling Act.

10 Section 1-75. Borrowing.

11 (a) The Authority may borrow money and issue bonds as
12 provided in this Section. Bonds of the Authority may be issued
13 to provide funds for land acquisition, site assembly and
14 preparation, and the design and construction of the casino, as
15 defined in the Illinois Gambling Act, all ancillary and related
16 facilities comprising the casino complex, and all on-site and
17 off-site infrastructure improvements required in connection
18 with the development of the casino; to refund (at the time or
19 in advance of any maturity or redemption) or redeem any bonds
20 of the Authority; to provide or increase a debt service reserve
21 fund or other reserves with respect to any or all of its bonds;
22 or to pay the legal, financial, administrative, bond insurance,
23 credit enhancement, and other legal expenses of the
24 authorization, issuance, or delivery of bonds. In this Act, the
25 term "bonds" also includes notes of any kind, interim

1 certificates, refunding bonds, or any other evidence of
2 obligation for borrowed money issued under this Section. Bonds
3 may be issued in one or more series and may be payable and
4 secured either on a parity with or separately from other bonds.

5 (b) The bonds of the Authority shall be payable from one or
6 more of the following sources: (i) the property or revenues of
7 the Authority; (ii) revenues derived from the casino; (iii)
8 revenues derived from any casino operator licensee; (iv) fees,
9 bid proceeds, charges, lease payments, payments required
10 pursuant to any casino management contract or other revenues
11 payable to the Authority, or any receipts of the Authority; (v)
12 payments by financial institutions, insurance companies, or
13 others pursuant to letters or lines of credit, policies of
14 insurance, or purchase agreements; (vi) investment earnings
15 from funds or accounts maintained pursuant to a bond resolution
16 or trust indenture; (vii) proceeds of refunding bonds; (viii)
17 any other revenues derived from or payments by the City; and
18 (ix) any payments by any casino operator licensee or others
19 pursuant to any guaranty agreement.

20 (c) Bonds shall be authorized by a resolution of the
21 Authority and may be secured by a trust indenture by and
22 between the Authority and a corporate trustee or trustees,
23 which may be any trust company or bank having the powers of a
24 trust company within or without the State. Bonds shall meet the
25 following requirements:

26 (1) Bonds may bear interest payable at any time or

1 times and at any rate or rates, notwithstanding any other
2 provision of law to the contrary, and may be subject to
3 such other terms and conditions as may be provided by the
4 resolution or indenture authorizing the issuance of such
5 bonds.

6 (2) Bonds issued pursuant to this Section may be
7 payable on such dates and times as may be provided for by
8 the resolution or indenture authorizing the issuance of
9 such bonds; provided, however, that such bonds shall mature
10 no later than 30 years from the date of issuance.

11 (3) Bonds issued pursuant to this Section may be sold
12 pursuant to notice of sale and public bid or by negotiated
13 sale.

14 (4) Bonds shall be payable at a time or times, in the
15 denominations and form, including book entry form, either
16 coupon, registered, or both, and carry the registration and
17 privileges as to exchange, transfer or conversion, and
18 replacement of mutilated, lost, or destroyed bonds as the
19 resolution or trust indenture may provide.

20 (5) Bonds shall be payable in lawful money of the
21 United States at a designated place.

22 (6) Bonds shall be subject to the terms of purchase,
23 payment, redemption, refunding, or refinancing that the
24 resolution or trust indenture provides.

25 (7) Bonds shall be executed by the manual or facsimile
26 signatures of the officers of the Authority designated by

1 the Board, which signatures shall be valid at delivery even
2 for one who has ceased to hold office.

3 (8) Bonds shall be sold at public or private sale in
4 the manner and upon the terms determined by the Authority.

5 (9) Bonds shall be issued in accordance with the
6 provisions of the Local Government Debt Reform Act.

7 (d) The Authority shall adopt a procurement program with
8 respect to contracts relating to underwriters, bond counsel,
9 financial advisors, and accountants. The program shall include
10 goals for the payment of not less than 30% of the total dollar
11 value of the fees from these contracts to minority-owned
12 businesses and female-owned businesses as defined in the
13 Business Enterprise for Minorities, Females, and Persons with
14 Disabilities Act. The Authority shall conduct outreach to
15 minority-owned businesses and female-owned businesses.
16 Outreach shall include, but is not limited to, advertisements
17 in periodicals and newspapers, mailings, and other appropriate
18 media. The Authority shall submit to the General Assembly a
19 comprehensive report that shall include, at a minimum, the
20 details of the procurement plan, outreach efforts, and the
21 results of the efforts to achieve goals for the payment of
22 fees.

23 (e) Subject to the Illinois Gambling Act and rules of the
24 Gaming Board regarding pledging of interests in holders of
25 owners licenses, any resolution or trust indenture may contain
26 provisions that may be a part of the contract with the holders

1 of the bonds as to the following:

2 (1) Pledging, assigning, or directing the use,
3 investment, or disposition of revenues of the Authority or
4 proceeds or benefits of any contract, including without
5 limitation any rights in any casino management contract.

6 (2) The setting aside of loan funding deposits, debt
7 service reserves, replacement or operating reserves, cost
8 of issuance accounts and sinking funds, and the regulation,
9 investment, and disposition thereof.

10 (3) Limitations on the purposes to which or the
11 investments in which the proceeds of sale of any issue of
12 bonds or the Authority's revenues and receipts may be
13 applied or made.

14 (4) Limitations on the issue of additional bonds, the
15 terms upon which additional bonds may be issued and
16 secured, the terms upon which additional bonds may rank on
17 a parity with, or be subordinate or superior to, other
18 bonds.

19 (5) The refunding, advance refunding, or refinancing
20 of outstanding bonds.

21 (6) The procedure, if any, by which the terms of any
22 contract with bondholders may be altered or amended and the
23 amount of bonds and holders of which must consent thereto
24 and the manner in which consent shall be given.

25 (7) Defining the acts or omissions that shall
26 constitute a default in the duties of the Authority to

1 holders of bonds and providing the rights or remedies of
2 such holders in the event of a default, which may include
3 provisions restricting individual rights of action by
4 bondholders.

5 (8) Providing for guarantees, pledges of property,
6 letters of credit, or other security, or insurance for the
7 benefit of bondholders.

8 (f) No member of the Casino Board, nor any person executing
9 the bonds, shall be liable personally on the bonds or subject
10 to any personal liability by reason of the issuance of the
11 bonds.

12 (g) The Authority may issue and secure bonds in accordance
13 with the provisions of the Local Government Credit Enhancement
14 Act.

15 (h) A pledge by the Authority of revenues and receipts as
16 security for an issue of bonds or for the performance of its
17 obligations under any casino management contract shall be valid
18 and binding from the time when the pledge is made. The revenues
19 and receipts pledged shall immediately be subject to the lien
20 of the pledge without any physical delivery or further act, and
21 the lien of any pledge shall be valid and binding against any
22 person having any claim of any kind in tort, contract, or
23 otherwise against the Authority, irrespective of whether the
24 person has notice. No resolution, trust indenture, management
25 agreement or financing statement, continuation statement, or
26 other instrument adopted or entered into by the Authority need

1 be filed or recorded in any public record other than the
2 records of the Authority in order to perfect the lien against
3 third persons, regardless of any contrary provision of law.

4 (i) Bonds that are being paid or retired by issuance, sale,
5 or delivery of bonds, and bonds for which sufficient funds have
6 been deposited with the paying agent or trustee to provide for
7 payment of principal and interest thereon, and any redemption
8 premium, as provided in the authorizing resolution, shall not
9 be considered outstanding for the purposes of this subsection.

10 (j) The bonds of the Authority shall not be indebtedness of
11 the State. The bonds of the Authority are not general
12 obligations of the State and are not secured by a pledge of the
13 full faith and credit of the State and the holders of bonds of
14 the Authority may not require the application of State revenues
15 or funds to the payment of bonds of the Authority. The
16 foregoing non-recourse language must be printed in bold-face
17 type on the face of the bonds and in the preliminary and final
18 official statements on the bonds.

19 (k) The State of Illinois pledges and agrees with the
20 owners of the bonds that it will not limit or alter the rights
21 and powers vested in the Authority by this Act so as to impair
22 the terms of any contract made by the Authority with the owners
23 or in any way impair the rights and remedies of the owners
24 until the bonds, together with interest on them, and all costs
25 and expenses in connection with any action or proceedings by or
26 on behalf of the owners, are fully met and discharged. The

1 Authority is authorized to include this pledge and agreement in
2 any contract with the owners of bonds issued under this
3 Section.

4 (1) No person holding an elective office in the City, in
5 Cook County, or in this State, holding a seat in the General
6 Assembly, or serving as a board member, trustee, officer, or
7 employee of the Authority, including the spouse of that person,
8 may receive a legal, banking, consulting, or other fee related
9 to the issuance of bonds. This prohibition shall also apply to
10 a company or firm that employs a person holding an elective
11 office in the City, in Cook County, or in this State, holding a
12 seat in the General Assembly, or serving as a board member,
13 trustee, officer, or employee of the Authority, including the
14 spouse of that person, if the person or his or her spouse has
15 greater than 7.5% ownership of the company or firm.

16 Section 1-85. Derivative products. With respect to all or
17 part of any issue of its bonds, the Authority may enter into
18 agreements or contracts with any necessary or appropriate
19 person, which will have the benefit of providing to the
20 Authority an interest rate basis, cash flow basis, or other
21 basis different from that provided in the bonds for the payment
22 of interest. Such agreements or contracts may include, without
23 limitation, agreements or contracts commonly known as
24 "interest rate swap agreements", "forward payment conversion
25 agreements", "futures", "options", "puts", or "calls" and

1 agreements or contracts providing for payments based on levels
2 of or changes in interest rates, agreements or contracts to
3 exchange cash flows or a series of payments, or to hedge
4 payment, rate spread, or similar exposure. Any such agreement
5 or contract shall be solely an obligation or indebtedness of
6 the Authority and shall not be an obligation or indebtedness of
7 the State, nor shall any party thereto have any recourse
8 against the State in connection with the agreement or contract.

9 Section 1-90. Legality for investment. The State of
10 Illinois, all governmental entities, all public officers,
11 banks, bankers, trust companies, savings banks and
12 institutions, building and loan associations, savings and loan
13 associations, investment companies, and other persons carrying
14 on a banking business, insurance companies, insurance
15 associations, and other persons carrying on an insurance
16 business, and all executors, administrators, guardians,
17 trustees, and other fiduciaries may legally invest any sinking
18 funds, moneys, or other funds belonging to them or within their
19 control in any bonds issued under this Act. However, nothing in
20 this Section shall be construed as relieving any person or
21 entity from any duty of exercising reasonable care in selecting
22 securities for purchase or investment.

23 Section 1-105. Budgets and reporting.

24 (a) The Casino Board shall annually adopt a budget for each

1 fiscal year. The budget may be modified from time to time in
2 the same manner and upon the same vote as it may be adopted.
3 The budget shall include the Authority's available funds and
4 estimated revenues and shall provide for payment of its
5 obligations and estimated expenditures for the fiscal year,
6 including, without limitation, expenditures for
7 administration, operation, maintenance and repairs, debt
8 service, and deposits into reserve and other funds and capital
9 projects.

10 (b) The Casino Board shall annually cause the finances of
11 the Authority to be audited by a firm of certified public
12 accountants selected by the Casino Board in accordance with the
13 rules of the Gaming Board and post on the Authority's Internet
14 website such financial information as is required to be posted
15 by all other owners licensees under the Illinois Gambling Act.

16 (c) The Casino Board shall, for each fiscal year, prepare
17 an annual report setting forth information concerning its
18 activities in the fiscal year and the status of the development
19 of the casino. The annual report shall include financial
20 information of the Authority consistent with that which is
21 required for all other owners licensees under the Illinois
22 Gambling Act, the budget for the succeeding fiscal year, and
23 the current capital plan as of the date of the report. Copies
24 of the annual report shall be made available to persons who
25 request them and shall be submitted not later than 120 days
26 after the end of the Authority's fiscal year or, if the audit

1 of the Authority's financial statements is not completed within
2 120 days after the end of the Authority's fiscal year, as soon
3 as practical after completion of the audit, to the Governor,
4 the Mayor, the General Assembly, and the Commission on
5 Government Forecasting and Accountability.

6 Section 1-110. Deposit and withdrawal of funds.

7 (a) All funds deposited by the Authority in any bank or
8 savings and loan association shall be placed in the name of the
9 Authority and shall be withdrawn or paid out only by check or
10 draft upon the bank or savings and loan association, signed by
11 2 officers or employees designated by the Casino Board.
12 Notwithstanding any other provision of this Section, the Casino
13 Board may designate any of its members or any officer or
14 employee of the Authority to authorize the wire transfer of
15 funds deposited by the secretary-treasurer of funds in a bank
16 or savings and loan association for the payment of payroll and
17 employee benefits-related expenses.

18 No bank or savings and loan association shall receive
19 public funds as permitted by this Section unless it has
20 complied with the requirements established pursuant to Section
21 6 of the Public Funds Investment Act.

22 (b) If any officer or employee whose signature appears upon
23 any check or draft issued pursuant to this Act ceases (after
24 attaching his signature) to hold his or her office before the
25 delivery of such a check or draft to the payee, his or her

1 signature shall nevertheless be valid and sufficient for all
2 purposes with the same effect as if he or she had remained in
3 office until delivery thereof.

4 Section 1-112. Contracts with the Authority or casino
5 operator licensee; disclosure requirements.

6 (a) A bidder, respondent, offeror, or contractor for
7 contracts with the Authority or casino operator licensee shall
8 disclose the identity of all officers and directors and every
9 owner, beneficiary, or person with beneficial interest of more
10 than 1% or shareholder entitled to receive more than 1% of the
11 total distributable income of any corporation having any
12 interest in the contract or in the bidder, respondent, offeror,
13 or contractor. The disclosure shall be in writing and attested
14 to by an owner, trustee, corporate official, or agent. If stock
15 in a corporation is publicly traded and there is no readily
16 known individual having greater than a 1% interest, then a
17 statement to that effect attested to by an officer or agent of
18 the corporation shall fulfill the disclosure statement
19 requirement of this Section. A bidder, respondent, offeror, or
20 contractor shall notify the Authority of any changes in
21 officers, directors, ownership, or individuals having a
22 beneficial interest of more than 1%. Notwithstanding the
23 provisions of this subsection (a), the Gaming Board may adopt
24 rules in connection with contractors for contracts with the
25 Authority or the casino operator licensee.

1 (b) A bidder, respondent, offeror, or contractor for
2 contracts with an annual value of \$25,000 or more or for a
3 period to exceed one year shall disclose all political
4 contributions of the bidder, respondent, offeror, or
5 contractor and any affiliated person or entity. Disclosure
6 shall include at least the names and addresses of the
7 contributors and the dollar amounts of any contributions to any
8 political committee made within the previous 2 years. The
9 disclosure must be submitted to the Gaming Board with a copy of
10 the contract. All such disclosures shall be posted on the
11 websites of the Authority and the Gaming Board.

12 (c) As used in this Section:

13 "Contribution" means contribution as defined in Section
14 9-1.4 of the Election Code.

15 "Affiliated person" means (i) any person with any ownership
16 interest or distributive share of the bidding, responding, or
17 contracting entity in excess of 1%, (ii) executive employees of
18 the bidding, responding, or contracting entity, and (iii) the
19 spouse, minor children, and parents of any such persons.

20 "Affiliated entity" means (i) any parent or subsidiary of
21 the bidding or contracting entity, (ii) any member of the same
22 unitary business group, or (iii) any political committee for
23 which the bidding, responding, or contracting entity is the
24 sponsoring entity.

25 (d) The Gaming Board may direct the Authority or a casino
26 operator licensee to void a contract if a violation of this

1 Section occurs. The Authority may direct a casino operator
2 licensee to void a contract if a violation of this Section
3 occurs.

4 (e) All contracts pertaining to the actual operation of the
5 casino and related gaming activities shall be entered into by
6 the casino operator licensee and not the Authority and shall be
7 subject to the regulation, oversight, and approval of the
8 Gaming Board, applying the same regulation, oversight, and
9 approval requirements as would be applied to any other owners
10 licensee under the Illinois Gambling Act.

11 Section 1-115. Purchasing.

12 (a) The Casino Board shall designate an officer of the
13 Authority to serve as the Chief Procurement Officer for the
14 Authority. The Chief Procurement Officer shall have all powers
15 and duties set forth in Section 15 of Division 10 of Article 8
16 of the Illinois Municipal Code. Except as otherwise provided in
17 this Section, the Chief Procurement Officer of the Authority
18 shall conduct procurements on behalf of the Authority subject
19 to Title 2, Chapter 92 of the Municipal Code of Chicago, which
20 by its terms incorporates Division 10 of Article 8 of the
21 Illinois Municipal Code.

22 (b) All contracts for amounts greater than \$25,000 must be
23 approved by the Casino Board and executed by the chairperson of
24 the Casino Board and executive director of the Authority.
25 Contracts for amounts of \$25,000 or less may be approved and

1 executed by the Chief Procurement Officer for the Authority and
2 executive director of the Authority, with approval by the chief
3 legal counsel for the Authority as to form and legality.

4 (c) All construction contracts and contracts for supplies,
5 materials, equipment, and services for amounts greater than
6 \$25,000 shall be let by a competitive selection process to the
7 lowest responsible proposer, after advertising for proposals,
8 except for the following:

9 (1) when repair parts, accessories, equipment, or
10 services are required for equipment or services previously
11 furnished or contracted for;

12 (2) when services such as water, light, heat, power,
13 telephone (other than long-distance service), or telegraph
14 are required;

15 (3) casino management contracts, which shall be
16 awarded as set forth in Section 1-45 of this Act;

17 (4) contracts where there is only one economically
18 feasible source;

19 (5) when a purchase is needed on an immediate,
20 emergency basis because there exists a threat to public
21 health or public safety, or when immediate expenditure is
22 necessary for repairs to Authority property in order to
23 protect against further loss of or damage to Authority
24 property, to prevent or minimize serious disruption in
25 Authority services or to ensure the integrity of Authority
26 records;

1 (6) contracts for professional services other than for
2 management of the casino, except such contracts described
3 in subsection (d) of this Section; and

4 (7) contracts for the use, purchase, delivery,
5 movement, or installation of (i) data processing
6 equipment, software, and services and (ii)
7 telecommunications equipment, software, and services.

8 (d) Contracts for professional services for a term of more
9 than one year or contracts that may require payment in excess
10 of \$25,000 in one year shall be let by a competitive bidding
11 process to the most highly qualified firm that agrees to
12 compensation and other terms of engagement that are both
13 reasonable and acceptable to the Casino Board.

14 (e) All contracts involving less than \$25,000 shall be let
15 by competitive selection process whenever possible, and in any
16 event in a manner calculated to ensure the best interests of
17 the public.

18 (f) In determining the responsibility of any proposer, the
19 Authority may take into account the proposer's (or an
20 individual having a beneficial interest, directly or
21 indirectly, of more than 1% in such proposing entity) past
22 record of dealings with the Authority, the proposer's
23 experience, adequacy of equipment, and ability to complete
24 performance within the time set, and other factors besides
25 financial responsibility. No such contract shall be awarded to
26 any proposer other than the lowest proposer (in case of

1 purchase or expenditure) unless authorized or approved by a
2 vote of at least 3 members of the Casino Board and such action
3 is accompanied by a written statement setting forth the reasons
4 for not awarding the contract to the highest or lowest
5 proposer, as the case may be. The statement shall be kept on
6 file in the principal office of the Authority and open to
7 public inspection.

8 (g) The Authority shall have the right to reject all
9 proposals and to re-advertise for proposals. If after any such
10 re-advertisement, no responsible and satisfactory proposals,
11 within the terms of the re-advertisement, is received, the
12 Authority may award such contract without competitive
13 selection. The contract must not be less advantageous to the
14 Authority than any valid proposal received pursuant to
15 advertisement.

16 (h) Advertisements for proposals and re-proposals shall be
17 published at least once in a daily newspaper of general
18 circulation published in the City at least 10 calendar days
19 before the time for receiving proposals and in an online
20 bulletin published on the Authority's website. Such
21 advertisements shall state the time and place for receiving and
22 opening of proposals and, by reference to plans and
23 specifications on file at the time of the first publication or
24 in the advertisement itself, shall describe the character of
25 the proposed contract in sufficient detail to fully advise
26 prospective proposers of their obligations and to ensure free

1 and open competitive selection.

2 (i) All proposals in response to advertisements shall be
3 sealed and shall be publicly opened by the Authority. All
4 proposers shall be entitled to be present in person or by
5 representatives. Cash or a certified or satisfactory cashier's
6 check, as a deposit of good faith, in a reasonable amount to be
7 fixed by the Authority before advertising for proposals, shall
8 be required with the proposal. A bond for faithful performance
9 of the contract with surety or sureties satisfactory to the
10 Authority and adequate insurance may be required in reasonable
11 amounts to be fixed by the Authority before advertising for
12 proposals.

13 (j) The contract shall be awarded as promptly as possible
14 after the opening of proposals. The proposal of the successful
15 proposer, as well as the bids of the unsuccessful proposers,
16 shall be placed on file and be open to public inspection
17 subject to the exemptions from disclosure provided under
18 Section 7 of the Freedom of Information Act. All proposals
19 shall be void if any disclosure of the terms of any proposals
20 in response to an advertisement is made or permitted to be made
21 by the Authority before the time fixed for opening proposals.

22 (k) Notice of each and every contract that is offered,
23 including renegotiated contracts and change orders, shall be
24 published in an online bulletin. The online bulletin must
25 include at least the date first offered, the date submission of
26 offers is due, the location that offers are to be submitted to,

1 a brief purchase description, the method of source selection,
2 information of how to obtain a comprehensive purchase
3 description and any disclosure and contract forms, and
4 encouragement to prospective vendors to hire qualified
5 veterans, as defined by Section 45-67 of the Illinois
6 Procurement Code, and Illinois residents discharged from any
7 Illinois adult correctional center subject to Gaming Board
8 licensing and eligibility rules. Notice of each and every
9 contract that is let or awarded, including renegotiated
10 contracts and change orders, shall be published in the online
11 bulletin and must include at least all of the information
12 specified in this subsection (k), as well as the name of the
13 successful responsible proposer or offeror, the contract
14 price, and the number of unsuccessful responsive proposers and
15 any other disclosure specified in this Section. This notice
16 must be posted in the online electronic bulletin prior to
17 execution of the contract.

18 Section 1-130. Affirmative action and equal opportunity
19 obligations of Authority.

20 (a) The Authority is subject to the requirements of Article
21 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720
22 inclusive) of the Chicago Municipal Code, as now or hereafter
23 amended, renumbered, or succeeded, concerning a Minority-Owned
24 and Women-Owned Business Enterprise Procurement Program for
25 construction contracts, and Section 2-92-420 et seq. of the

1 Chicago Municipal Code, as now or hereafter amended,
2 renumbered, or succeeded, concerning a Minority-Owned and
3 Women-Owned Business Enterprise Procurement Program.

4 (b) The Authority is authorized to enter into agreements
5 with contractors' associations, labor unions, and the
6 contractors working on the development of the casino to
7 establish an apprenticeship preparedness training program to
8 provide for an increase in the number of minority and female
9 journeymen and apprentices in the building trades and to enter
10 into agreements with community college districts or other
11 public or private institutions to provide readiness training.
12 The Authority is further authorized to enter into contracts
13 with public and private educational institutions and persons in
14 the gaming, entertainment, hospitality, and tourism industries
15 to provide training for employment in those industries.

16 Section 1-135. Transfer of interest. Neither the Authority
17 nor the City may sell, lease, rent, transfer, exchange, or
18 otherwise convey any interest that they have in the casino
19 without prior approval of the Gaming Board and the General
20 Assembly.

21 Section 1-140. Home rule. The regulation and licensing of
22 casinos and casino gaming, casino gaming facilities, and casino
23 operator licensees under this Act are exclusive powers and
24 functions of the State. A home rule unit may not regulate or

1 license casinos, casino gaming, casino gaming facilities, or
2 casino operator licensees under this Act, except as provided
3 under this Act. This Section is a denial and limitation of home
4 rule powers and functions under subsection (h) of Section 6 of
5 Article VII of the Illinois Constitution.

6 Section 1-145. Prohibition of political contributions from
7 casino operator licensees and applicants.

8 (a) The General Assembly has a compelling interest in
9 protecting the integrity of both the electoral process and the
10 legislative process by preventing corruption and the
11 appearance of corruption which may arise through permitting
12 certain political campaign contributions by certain persons
13 involved in the gaming industry and regulated by the State.
14 Unlike most other regulated industries, gaming is especially
15 susceptible to corruption and potential criminal influence. In
16 Illinois, only licensed gaming activities are legal and all
17 other gaming activities are strictly prohibited. Given these
18 circumstances, it is imperative to eliminate any potential
19 corrupt influence in the gaming industry and the electoral
20 process.

21 Banning political campaign contributions by certain
22 persons subject to this Section to State officeholders and
23 candidates for such offices and to county and municipal
24 officeholders and candidates for such offices in counties and
25 municipalities that receive financial benefits from gaming

1 activities is necessary to prevent corruption and the
2 appearance of corruption that may arise when political campaign
3 contributions and gaming that is regulated by the State and
4 that confers benefits on counties and municipalities are
5 intermingled.

6 The General Assembly has prohibited political campaign
7 contributions to certain State and local officeholders and
8 candidates for such offices by certain persons with State of
9 Illinois and Metropolitan Pier and Exposition Authority
10 contracts and pending bids or proposals for contracts of over
11 \$50,000 and certain individuals and entities affiliated with
12 such persons. Certain gaming licensees will receive receipts
13 far in excess of the base level of contract amounts subject to
14 such other campaign contribution prohibitions.

15 (b) As used in this Section:

16 "Affiliated entity" means (i) any corporate parent and
17 operating subsidiary of the business entity applying for or
18 holding a license, (ii) each operating subsidiary of the
19 corporate parent of the business entity applying for or holding
20 a license, (iii) any organization recognized by the United
21 States Internal Revenue Service as a tax-exempt organization
22 described in Section 501(c) of the Internal Revenue Code of
23 1986 (or any successor provision of federal tax law)
24 established by one or more business entities seeking or holding
25 a license, any affiliated entity of such business entity, or
26 any affiliated person of such business entity, and (iv) any

1 political committee for which the business entity applying for
2 or holding a license, or any 501(c) organization described in
3 item (iii) related to that business entity, is the sponsoring
4 entity as defined in Section 9-3 of the Election Code. For
5 purposes of item (iv), the funding of all business entities
6 applying for or holding a license shall be aggregated in
7 determining whether such political committee is an affiliated
8 entity.

9 "Affiliated person" means (i) any person with any ownership
10 interest or distributive share in excess of 7.5% of any
11 business entity applying for or holding a license, (ii)
12 executive employees of any such business entity, (iii) any
13 person designated as a key person under the Illinois Gambling
14 Act, and (iv) the spouse of the persons described in items (i)
15 through (iii).

16 "Business entity" means any entity doing business for
17 profit, whether organized as a corporation, partnership, sole
18 proprietorship, limited liability company, or partnership or
19 otherwise.

20 "Contribution" means a contribution as defined in Section
21 9-1.4 of the Election Code.

22 "Declared candidate" means a person who has filed a
23 statement of candidacy and petition for nomination or election
24 in the principal office of the State Board of Elections, or in
25 the office of the appropriate election authority for any county
26 or municipality in which a casino is located or proposed or

1 which receives any gaming revenue.

2 "Executive employee" means (i) any person who is an officer
3 or director or who fulfills duties equivalent to those of an
4 officer or director of a business entity applying for or
5 holding a license and (ii) any employee of such business entity
6 who is required to register under the Lobbyist Registration
7 Act.

8 "License" means the casino operator license issued
9 pursuant to this Act.

10 "Officeholder" means the Governor, Lieutenant Governor,
11 Attorney General, Secretary of State, Comptroller, Treasurer,
12 member of the General Assembly, or any officeholder in any
13 county or municipality in which a riverboat, casino, or
14 electronic gaming device is located or proposed or that
15 receives any gaming revenue.

16 (c) Any person or business entity applying for or holding a
17 license, any affiliated entities or persons of such business
18 entity, and any entities or persons soliciting a contribution
19 or causing a contribution to be made on behalf of such person
20 or business entity, are prohibited from making any contribution
21 to any officeholder or declared candidate or any political
22 committee affiliated with any officeholder or declared
23 candidate, as defined in Section 9-1.8 of the Election Code.
24 This prohibition shall commence upon filing of an application
25 for a license and shall continue for a period of 2 years after
26 termination, suspension or revocation of the license.

1 The Gaming Board shall have authority to suspend, revoke,
2 or restrict the license and to impose civil penalties of up to
3 \$100,000 for each violation of this subsection (c). A notice of
4 each such violation and the penalty imposed shall be published
5 on the Gaming Board's Internet website and in the Illinois
6 Register. Payments received by the State pursuant to this
7 subsection (c) shall be deposited into the General Revenue
8 Fund.

9 Any officeholder or declared candidate or any political
10 committee affiliated with any officeholder or declared
11 candidate that has received a contribution in violation of this
12 subsection (c) shall pay an amount equal to the value of the
13 contribution to the State no more than 30 days after notice of
14 the violation concerning the contribution appears in the
15 Illinois Register. Payments received by the State pursuant to
16 this subsection (c) shall be deposited into the General Revenue
17 Fund.

18 (d) The Gaming Board shall post on its Internet website a
19 list of all persons, business entities, and affiliated entities
20 prohibited from making contributions to any officeholder or
21 declared candidate political committee pursuant to subsection
22 (c), which list shall be updated and published, at a minimum,
23 every 6 months.

24 Any person, business entity, or affiliated entity
25 prohibited from making contributions to any officeholder or
26 declared candidate political committee pursuant to subsection

1 (c) shall notify the Gaming Board within 7 days after
2 discovering any necessary change or addition to the information
3 relating to that person, business entity, or affiliated entity
4 contained in the list.

5 An individual who acts in good faith and in reliance on any
6 information contained in the list shall not be subject to any
7 penalties or liability imposed for a violation of this Section.

8 (e) If any provision of this Section is held invalid or its
9 application to any person or circumstance is held invalid, the
10 invalidity of that provision or application does not affect the
11 other provisions or applications of this Section that can be
12 given effect without the invalid application or provision.

13 ARTICLE 90.

14 Section 90-1. Findings. The General Assembly makes all of
15 the following findings:

16 (1) That the cumulative reduction to pre-K through 12
17 education funding since 2009 is approximately
18 \$861,000,000.

19 (2) That during the last 2 years, general state aid to
20 Illinois common schools has been underfunded as a result of
21 budget cuts, resulting in pro-rated payments to school
22 districts that are less than the foundational level of
23 \$6,119 per pupil, which represents the minimum each pupil
24 needs to be educated.

1 (3) That a significant infusion of new revenue is
2 necessary in order to fully fund the foundation level and
3 to maintain and support education in Illinois.

4 (4) That the decline of the Illinois horse racing and
5 breeding program, a \$2.5 billion industry, would be
6 reversed if this amendatory Act of the 98th General
7 Assembly would be enacted.

8 (5) That the Illinois horse racing industry is on the
9 verge of extinction due to fierce competition from fully
10 developed horse racing and gaming operations in other
11 states.

12 (6) That allowing the State's horse racing venues,
13 currently licensed gaming destinations, to maximize their
14 capacities with gaming machines, would generate up to \$120
15 million to \$200 million for the State in the form of extra
16 licensing fees, plus an additional \$100 million to \$300
17 million in recurring annual tax revenue for the State to
18 help ensure that school, road, and other building projects
19 promised under the capital plan occur on schedule.

20 (7) That Illinois agriculture and other businesses
21 that support and supply the horse racing industry, already
22 a sector that employs over 37,000 Illinoisans, also stand
23 to substantially benefit and would be much more likely to
24 create additional jobs should Illinois horse racing once
25 again become competitive with other states.

26 (8) That by keeping these projects on track, the State

1 can be sure that significant job and economic growth will
2 in fact result from the previously enacted legislation.

3 (9) That gaming machines at Illinois horse racing
4 tracks would create an estimated 1,200 to 1,500 permanent
5 jobs, and an estimated capital investment of up to \$200
6 million to \$400 million at these race tracks would prompt
7 additional trade organization jobs necessary to construct
8 new facilities or remodel race tracks to operate electronic
9 gaming.

10 Section 90-3. The State Officials and Employees Ethics Act
11 is amended by changing Sections 5-45 and 20-10 as follows:

12 (5 ILCS 430/5-45)

13 Sec. 5-45. Procurement; revolving door prohibition.

14 (a) No former officer, member, or State employee, or spouse
15 or immediate family member living with such person, shall,
16 within a period of one year immediately after termination of
17 State employment, knowingly accept employment or receive
18 compensation or fees for services from a person or entity if
19 the officer, member, or State employee, during the year
20 immediately preceding termination of State employment,
21 participated personally and substantially in the award of State
22 contracts, or the issuance of State contract change orders,
23 with a cumulative value of \$25,000 or more to the person or
24 entity, or its parent or subsidiary.

1 (b) No former officer of the executive branch or State
2 employee of the executive branch with regulatory or licensing
3 authority, or spouse or immediate family member living with
4 such person, shall, within a period of one year immediately
5 after termination of State employment, knowingly accept
6 employment or receive compensation or fees for services from a
7 person or entity if the officer or State employee, during the
8 year immediately preceding termination of State employment,
9 participated personally and substantially in making a
10 regulatory or licensing decision that directly applied to the
11 person or entity, or its parent or subsidiary.

12 (c) Within 6 months after the effective date of this
13 amendatory Act of the 96th General Assembly, each executive
14 branch constitutional officer and legislative leader, the
15 Auditor General, and the Joint Committee on Legislative Support
16 Services shall adopt a policy delineating which State positions
17 under his or her jurisdiction and control, by the nature of
18 their duties, may have the authority to participate personally
19 and substantially in the award of State contracts or in
20 regulatory or licensing decisions. The Governor shall adopt
21 such a policy for all State employees of the executive branch
22 not under the jurisdiction and control of any other executive
23 branch constitutional officer.

24 The policies required under subsection (c) of this Section
25 shall be filed with the appropriate ethics commission
26 established under this Act or, for the Auditor General, with

1 the Office of the Auditor General.

2 (d) Each Inspector General shall have the authority to
3 determine that additional State positions under his or her
4 jurisdiction, not otherwise subject to the policies required by
5 subsection (c) of this Section, are nonetheless subject to the
6 notification requirement of subsection (f) below due to their
7 involvement in the award of State contracts or in regulatory or
8 licensing decisions.

9 (e) The Joint Committee on Legislative Support Services,
10 the Auditor General, and each of the executive branch
11 constitutional officers and legislative leaders subject to
12 subsection (c) of this Section shall provide written
13 notification to all employees in positions subject to the
14 policies required by subsection (c) or a determination made
15 under subsection (d): (1) upon hiring, promotion, or transfer
16 into the relevant position; and (2) at the time the employee's
17 duties are changed in such a way as to qualify that employee.
18 An employee receiving notification must certify in writing that
19 the person was advised of the prohibition and the requirement
20 to notify the appropriate Inspector General in subsection (f).

21 (f) Any State employee in a position subject to the
22 policies required by subsection (c) or to a determination under
23 subsection (d), but who does not fall within the prohibition of
24 subsection (h) below, who is offered non-State employment
25 during State employment or within a period of one year
26 immediately after termination of State employment shall, prior

1 to accepting such non-State employment, notify the appropriate
2 Inspector General. Within 10 calendar days after receiving
3 notification from an employee in a position subject to the
4 policies required by subsection (c), such Inspector General
5 shall make a determination as to whether the State employee is
6 restricted from accepting such employment by subsection (a) or
7 (b). In making a determination, in addition to any other
8 relevant information, an Inspector General shall assess the
9 effect of the prospective employment or relationship upon
10 decisions referred to in subsections (a) and (b), based on the
11 totality of the participation by the former officer, member, or
12 State employee in those decisions. A determination by an
13 Inspector General must be in writing, signed and dated by the
14 Inspector General, and delivered to the subject of the
15 determination within 10 calendar days or the person is deemed
16 eligible for the employment opportunity. For purposes of this
17 subsection, "appropriate Inspector General" means (i) for
18 members and employees of the legislative branch, the
19 Legislative Inspector General; (ii) for the Auditor General and
20 employees of the Office of the Auditor General, the Inspector
21 General provided for in Section 30-5 of this Act; and (iii) for
22 executive branch officers and employees, the Inspector General
23 having jurisdiction over the officer or employee. Notice of any
24 determination of an Inspector General and of any such appeal
25 shall be given to the ultimate jurisdictional authority, the
26 Attorney General, and the Executive Ethics Commission.

1 (g) An Inspector General's determination regarding
2 restrictions under subsection (a) or (b) may be appealed to the
3 appropriate Ethics Commission by the person subject to the
4 decision or the Attorney General no later than the 10th
5 calendar day after the date of the determination.

6 On appeal, the Ethics Commission or Auditor General shall
7 seek, accept, and consider written public comments regarding a
8 determination. In deciding whether to uphold an Inspector
9 General's determination, the appropriate Ethics Commission or
10 Auditor General shall assess, in addition to any other relevant
11 information, the effect of the prospective employment or
12 relationship upon the decisions referred to in subsections (a)
13 and (b), based on the totality of the participation by the
14 former officer, member, or State employee in those decisions.
15 The Ethics Commission shall decide whether to uphold an
16 Inspector General's determination within 10 calendar days or
17 the person is deemed eligible for the employment opportunity.

18 (h) The following officers, members, or State employees
19 shall not, within a period of one year immediately after
20 termination of office or State employment, knowingly accept
21 employment or receive compensation or fees for services from a
22 person or entity if the person or entity or its parent or
23 subsidiary, during the year immediately preceding termination
24 of State employment, was a party to a State contract or
25 contracts with a cumulative value of \$25,000 or more involving
26 the officer, member, or State employee's State agency, or was

1 the subject of a regulatory or licensing decision involving the
2 officer, member, or State employee's State agency, regardless
3 of whether he or she participated personally and substantially
4 in the award of the State contract or contracts or the making
5 of the regulatory or licensing decision in question:

6 (1) members or officers;

7 (2) members of a commission or board created by the
8 Illinois Constitution;

9 (3) persons whose appointment to office is subject to
10 the advice and consent of the Senate;

11 (4) the head of a department, commission, board,
12 division, bureau, authority, or other administrative unit
13 within the government of this State;

14 (5) chief procurement officers, State purchasing
15 officers, and their designees whose duties are directly
16 related to State procurement; ~~and~~

17 (6) chiefs of staff, deputy chiefs of staff, associate
18 chiefs of staff, assistant chiefs of staff, and deputy
19 governors; ~~and~~

20 (7) employees of the Illinois Racing Board; and

21 (8) employees of the Illinois Gaming Board.

22 (i) For the purposes of this Section, with respect to
23 officers or employees of a regional transit board, as defined
24 in this Act, the phrase "person or entity" does not include:

25 (i) the United States government, (ii) the State, (iii)
26 municipalities, as defined under Article VII, Section 1 of the

1 Illinois Constitution, (iv) units of local government, as
2 defined under Article VII, Section 1 of the Illinois
3 Constitution, or (v) school districts.

4 (Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

5 (5 ILCS 430/20-10)

6 Sec. 20-10. Offices of Executive Inspectors General.

7 (a) ~~Six~~ Five independent Offices of the Executive Inspector
8 General are created, one each for the Governor, the Attorney
9 General, the Secretary of State, the Comptroller, and the
10 Treasurer and one for gaming activities. Each Office shall be
11 under the direction and supervision of an Executive Inspector
12 General and shall be a fully independent office with separate
13 appropriations.

14 (b) The Governor, Attorney General, Secretary of State,
15 Comptroller, and Treasurer shall each appoint an Executive
16 Inspector General, and the Governor shall appoint an Executive
17 Inspector General for gaming activities. Each appointment must
18 be made without regard to political affiliation and solely on
19 the basis of integrity and demonstrated ability. Appointments
20 shall be made by and with the advice and consent of the Senate
21 by three-fifths of the elected members concurring by record
22 vote. Any nomination not acted upon by the Senate within 60
23 session days of the receipt thereof shall be deemed to have
24 received the advice and consent of the Senate. If, during a
25 recess of the Senate, there is a vacancy in an office of

1 Executive Inspector General, the appointing authority shall
2 make a temporary appointment until the next meeting of the
3 Senate when the appointing authority shall make a nomination to
4 fill that office. No person rejected for an office of Executive
5 Inspector General shall, except by the Senate's request, be
6 nominated again for that office at the same session of the
7 Senate or be appointed to that office during a recess of that
8 Senate.

9 Nothing in this Article precludes the appointment by the
10 Governor, Attorney General, Secretary of State, Comptroller,
11 or Treasurer of any other inspector general required or
12 permitted by law. The Governor, Attorney General, Secretary of
13 State, Comptroller, and Treasurer each may appoint an existing
14 inspector general as the Executive Inspector General required
15 by this Article, provided that such an inspector general is not
16 prohibited by law, rule, jurisdiction, qualification, or
17 interest from serving as the Executive Inspector General
18 required by this Article. An appointing authority may not
19 appoint a relative as an Executive Inspector General.

20 Each Executive Inspector General shall have the following
21 qualifications:

22 (1) has not been convicted of any felony under the laws
23 of this State, another State, or the United States;

24 (2) has earned a baccalaureate degree from an
25 institution of higher education; and

26 (3) has 5 or more years of cumulative service (A) with

1 a federal, State, or local law enforcement agency, at least
2 2 years of which have been in a progressive investigatory
3 capacity; (B) as a federal, State, or local prosecutor; (C)
4 as a senior manager or executive of a federal, State, or
5 local agency; (D) as a member, an officer, or a State or
6 federal judge; or (E) representing any combination of (A)
7 through (D).

8 The term of each initial Executive Inspector General shall
9 commence upon qualification and shall run through June 30,
10 2008. The initial appointments shall be made within 60 days
11 after the effective date of this Act.

12 After the initial term, each Executive Inspector General
13 shall serve for 5-year terms commencing on July 1 of the year
14 of appointment and running through June 30 of the fifth
15 following year. An Executive Inspector General may be
16 reappointed to one or more subsequent terms.

17 A vacancy occurring other than at the end of a term shall
18 be filled by the appointing authority only for the balance of
19 the term of the Executive Inspector General whose office is
20 vacant.

21 Terms shall run regardless of whether the position is
22 filled.

23 (c) The Executive Inspector General appointed by the
24 Attorney General shall have jurisdiction over the Attorney
25 General and all officers and employees of, and vendors and
26 others doing business with, State agencies within the

1 jurisdiction of the Attorney General. The Executive Inspector
2 General appointed by the Secretary of State shall have
3 jurisdiction over the Secretary of State and all officers and
4 employees of, and vendors and others doing business with, State
5 agencies within the jurisdiction of the Secretary of State. The
6 Executive Inspector General appointed by the Comptroller shall
7 have jurisdiction over the Comptroller and all officers and
8 employees of, and vendors and others doing business with, State
9 agencies within the jurisdiction of the Comptroller. The
10 Executive Inspector General appointed by the Treasurer shall
11 have jurisdiction over the Treasurer and all officers and
12 employees of, and vendors and others doing business with, State
13 agencies within the jurisdiction of the Treasurer. The
14 Executive Inspector General appointed by the Governor shall
15 have jurisdiction over (i) the Governor, (ii) the Lieutenant
16 Governor, (iii) all officers and employees of, and vendors and
17 others doing business with, executive branch State agencies
18 under the jurisdiction of the Executive Ethics Commission and
19 not within the jurisdiction of the Attorney General, the
20 Secretary of State, the Comptroller, ~~or~~ the Treasurer, or the
21 Executive Inspector General for gaming activities, and (iv) all
22 board members and employees of the Regional Transit Boards and
23 all vendors and others doing business with the Regional Transit
24 Boards. The Executive Inspector General for gaming activities
25 appointed by the Governor has jurisdiction over the Illinois
26 Gaming Board, all officers and employees of the Illinois Gaming

1 Board, and all activities of the Illinois Gaming Board.

2 The jurisdiction of each Executive Inspector General is to
3 investigate allegations of fraud, waste, abuse, mismanagement,
4 misconduct, nonfeasance, misfeasance, malfeasance, or
5 violations of this Act or violations of other related laws and
6 rules.

7 (d) The compensation for each Executive Inspector General
8 shall be determined by the Executive Ethics Commission and
9 shall be made from appropriations made to the Comptroller for
10 this purpose. Subject to Section 20-45 of this Act, each
11 Executive Inspector General has full authority to organize his
12 or her Office of the Executive Inspector General, including the
13 employment and determination of the compensation of staff, such
14 as deputies, assistants, and other employees, as
15 appropriations permit. A separate appropriation shall be made
16 for each Office of Executive Inspector General.

17 (e) No Executive Inspector General or employee of the
18 Office of the Executive Inspector General may, during his or
19 her term of appointment or employment:

20 (1) become a candidate for any elective office;

21 (2) hold any other elected or appointed public office
22 except for appointments on governmental advisory boards or
23 study commissions or as otherwise expressly authorized by
24 law;

25 (3) be actively involved in the affairs of any
26 political party or political organization; or

1 (4) advocate for the appointment of another person to
2 an appointed or elected office or position or actively
3 participate in any campaign for any elective office.

4 In this subsection an appointed public office means a
5 position authorized by law that is filled by an appointing
6 authority as provided by law and does not include employment by
7 hiring in the ordinary course of business.

8 (e-1) No Executive Inspector General or employee of the
9 Office of the Executive Inspector General may, for one year
10 after the termination of his or her appointment or employment:

11 (1) become a candidate for any elective office;

12 (2) hold any elected public office; or

13 (3) hold any appointed State, county, or local judicial
14 office.

15 (e-2) The requirements of item (3) of subsection (e-1) may
16 be waived by the Executive Ethics Commission.

17 (f) An Executive Inspector General may be removed only for
18 cause and may be removed only by the appointing ~~constitutional~~
19 officer. At the time of the removal, the appointing
20 ~~constitutional~~ officer must report to the Executive Ethics
21 Commission the justification for the removal.

22 (Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

23 Section 90-5. The Alcoholism and Other Drug Abuse and
24 Dependency Act is amended by changing Section 5-20 as follows:

1 (20 ILCS 301/5-20)

2 Sec. 5-20. Compulsive gambling program.

3 (a) Subject to appropriation, the Department shall
4 establish a program for public education, research, and
5 training regarding problem and compulsive gambling and the
6 treatment and prevention of problem and compulsive gambling.
7 Subject to specific appropriation for these stated purposes,
8 the program must include all of the following:

9 (1) Establishment and maintenance of a toll-free "800"
10 telephone number to provide crisis counseling and referral
11 services to families experiencing difficulty as a result of
12 problem or compulsive gambling.

13 (2) Promotion of public awareness regarding the
14 recognition and prevention of problem and compulsive
15 gambling.

16 (3) Facilitation, through in-service training and
17 other means, of the availability of effective assistance
18 programs for problem and compulsive gamblers.

19 (4) Conducting studies to identify adults and
20 juveniles in this State who are, or who are at risk of
21 becoming, problem or compulsive gamblers.

22 (b) Subject to appropriation, the Department shall either
23 establish and maintain the program or contract with a private
24 or public entity for the establishment and maintenance of the
25 program. Subject to appropriation, either the Department or the
26 private or public entity shall implement the toll-free

1 telephone number, promote public awareness, and conduct
2 in-service training concerning problem and compulsive
3 gambling.

4 (c) Subject to appropriation, the Department shall produce
5 and supply the signs specified in Section 10.7 of the Illinois
6 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
7 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
8 of the Charitable Games Act, and Section 13.1 of the Illinois
9 ~~Riverboat~~ Gambling Act.

10 (Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

11 Section 90-6. The Department of Commerce and Economic
12 Opportunity Law of the Civil Administrative Code of Illinois is
13 amended by adding Sections 605-530, 605-535, and 605-540 as
14 follows:

15 (20 ILCS 605/605-530 new)

16 Sec. 605-530. The Depressed Communities Economic
17 Development Board.

18 (a) The Depressed Communities Economic Development Board
19 is created as an advisory board within the Department of
20 Commerce and Economic Opportunity. The Board shall consist of
21 the following members:

22 (1) 3 members appointed by the Governor, one of whom
23 shall be appointed to serve an initial term of one year and
24 2 of whom shall be appointed to serve an initial term of 2

1 years;

2 (2) 2 members appointed by the Speaker of the House of
3 Representatives, one of whom shall be appointed to serve an
4 initial term of one year and one of whom shall be appointed
5 to serve an initial term of 2 years;

6 (3) 2 members appointed by the President of the Senate,
7 one of whom shall be appointed to serve an initial term of
8 one year and one of whom shall be appointed to serve an
9 initial term of 2 years;

10 (4) 2 members appointed by the Minority Leader of the
11 House of Representatives, one of whom shall be appointed to
12 serve an initial term of one year and one of whom shall be
13 appointed to serve an initial term of 2 years; and

14 (5) 2 members appointed by the Minority Leader of the
15 Senate, one of whom shall be appointed to serve an initial
16 term of one year and one of whom shall be appointed to
17 serve an initial term of 2 years.

18 The members of the Board shall elect a member to serve as
19 chair of the Board. The members of the Board shall reflect the
20 composition of the Illinois population with regard to ethnic
21 and racial composition.

22 After the initial terms, each member shall be appointed to
23 serve a term of 2 years and until his or her successor has been
24 appointed and assumes office. If a vacancy occurs in the Board
25 membership, then the vacancy shall be filled in the same manner
26 as the initial appointment. No member of the Board shall, at

1 the time of his or her appointment or within 2 years before the
2 appointment, hold elected office or be appointed to a State
3 board, commission, or agency. All Board members are subject to
4 the State Officials and Employees Ethics Act.

5 (b) Board members shall serve without compensation, but may
6 be reimbursed for their reasonable travel expenses from funds
7 available for that purpose. The Department of Commerce and
8 Economic Opportunity shall provide staff and administrative
9 support services to the Board.

10 (c) The Board must make recommendations, which must be
11 approved by a majority of the Board, to the Department of
12 Commerce and Economic Opportunity concerning the award of
13 grants from amounts appropriated to the Department from the
14 Depressed Communities Economic Development Fund, a special
15 fund created in the State treasury. The Department must make
16 grants to public or private entities submitting proposals to
17 the Board to revitalize an Illinois depressed community. Grants
18 may be used by these entities only for those purposes
19 conditioned with the grant. For the purposes of this subsection
20 (c), plans for revitalizing an Illinois depressed community
21 include plans intended to curb high levels of poverty,
22 unemployment, job and population loss, and general distress. An
23 Illinois depressed community is an area where the poverty rate,
24 as determined by using the most recent data released by the
25 United States Census Bureau, is at least 3% greater than the
26 State poverty rate as determined by using the most recent data

1 released by the United States Census Bureau.

2 (20 ILCS 605/605-535 new)

3 Sec. 605-535. The Commission on the Future of Economic
4 Development of the Latino Community.

5 (a) There is hereby created the Commission on the Future of
6 Economic Development of the Latino Community within the
7 Department. The purpose of the Commission shall be to maintain
8 and develop the economy of Latinos and to provide opportunities
9 for this community, which will enhance and expand the quality
10 of their lives.

11 The Commission shall concentrate its major efforts on
12 strategic planning, policy research and analysis, advocacy,
13 evaluation, and promoting coordination and collaboration.

14 During each regular legislative session, the Commission
15 must consult with appropriate legislative committees about the
16 State's economic development needs and opportunities in the
17 Latino community.

18 By October 1st of each even-numbered year, the Commission
19 must submit to the Governor and the General Assembly a biennial
20 comprehensive statewide economic development strategy for the
21 Latino community with a report on progress from the previous
22 comprehensive strategy.

23 The comprehensive statewide economic development strategy
24 may include, but is not limited to:

25 (1) an assessment of the Latino community's economic

1 vitality;

2 (2) recommended goals, objectives, and priorities for
3 the next biennium and the future;

4 (3) a common set of outcomes and benchmarks for the
5 economic development system as a whole for the Latino
6 community;

7 (4) recommendations for removing barriers for Latinos
8 in employment;

9 (5) an inventory of existing relevant programs
10 compiled by the Commission from materials submitted by
11 agencies;

12 (6) recommendations for expanding, discontinuing, or
13 redirecting existing programs or adding new programs to
14 better serve the Latino community; and

15 (7) recommendations of best practices and public and
16 private sector roles in implementing the comprehensive
17 statewide economic development strategy.

18 In developing the biennial statewide economic development
19 strategy, goals, objectives, priorities, and recommendations,
20 the Commission shall consult, collaborate, and coordinate with
21 relevant State agencies, private sector business, nonprofit
22 organizations involved in economic development, trade
23 associations, associate development organizations, and
24 relevant local organizations in order to avoid duplication of
25 effort.

26 State agencies shall cooperate with the Commission and

1 provide information as the Commission may reasonably request.

2 The Commission shall review and make budget
3 recommendations to the Governor's Office of Management and
4 Budget and the General Assembly in areas relating to the
5 economic development in the State's Latino community.

6 The Commission shall evaluate its own performance on a
7 regular basis.

8 The Commission may accept gifts, grants, donations,
9 sponsorships, or contributions from any federal, State, or
10 local governmental agency or program, or any private source,
11 and expend the same for any purpose consistent with this
12 Section.

13 (b) The Commission shall consist of 12 voting members,
14 appointed by the Governor, 4 of whom shall be appointed to
15 serve an initial term of one year, 4 of whom shall be appointed
16 to serve an initial term of 2 years, and 4 of whom shall be
17 appointed to serve an initial term of 3 years. After the
18 initial term, each member shall be appointed to a term of 3
19 years. Members of the Commission shall serve at the pleasure of
20 the Governor for not more than 2 consecutive 3-year terms. In
21 appointing members, the Governor shall appoint individuals
22 from the following private industry sectors:

23 (1) production agriculture;

24 (2) at least 2 individuals from manufacturing, one of
25 whom shall represent a company with no more than 75
26 employees;

1 (3) transportation, construction, and logistics;

2 (4) travel and tourism;

3 (5) financial services and insurance;

4 (6) information technology and communications; and

5 (7) biotechnology.

6 The members of the Commission shall choose a member to
7 serve as chair of the Commission. The members of the Commission
8 shall be representative, to the extent possible, of the various
9 geographic areas of the State. The Director shall serve as an
10 ad hoc nonvoting member of the Commission. Vacancies shall be
11 filled in the same manner as the original appointments. The
12 members of the Commission shall serve without compensation.

13 (c) The Commission shall meet at least 4 times per year,
14 with at least one meeting each calendar quarter, at the call of
15 the director or 4 voting members of the Commission. The staff
16 and support for the Commission shall be provided by the
17 Department.

18 (d) The Commission and Department are encouraged to involve
19 other essential groups in the work of the Commission,
20 including, but not limited to:

21 (1) public universities;

22 (2) community colleges;

23 (3) other educational institutions; and

24 (4) the Department of Labor.

25 (e) The Commission shall make recommendations, which must
26 be approved by a majority of the members of the Commission, to

1 the Department concerning the award of grants from amounts
2 appropriated to the Department from the Latino Community
3 Economic Development Fund, a special fund in the State
4 treasury. The Department shall make grants to public or private
5 entities submitting proposals to the Commission to assist in
6 the economic development of the Latino community. Grants may be
7 used by these entities only for those purposes conditioned with
8 the grant. The Commission shall coordinate with the Department
9 to develop grant criteria.

10 (f) For the purposes of this Section:

11 "Department" means the Department of Commerce and Economic
12 Opportunity.

13 "Director" means the Director of Commerce and Economic
14 Opportunity.

15 "Educational institutions" means nonprofit public and
16 private colleges, community colleges, State colleges, and
17 universities in this State.

18 (20 ILCS 605/605-540 new)

19 Sec. 605-540. The Commission on the Future of Economic
20 Development of the African American Community.

21 (a) There is hereby created the Commission on the Future of
22 Economic Development of the African American Community within
23 the Department. The purpose of the Commission shall be to
24 maintain and develop the economy of African Americans and to
25 provide opportunities for this community, which will enhance

1 and expand the quality of their lives.

2 The Commission shall concentrate its major efforts on
3 strategic planning, policy research and analysis, advocacy,
4 evaluation, and promoting coordination and collaboration.

5 During each regular legislative session, the Commission
6 must consult with appropriate legislative committees about the
7 State's economic development needs and opportunities in the
8 African American community.

9 By October 1st of each even-numbered year, the Commission
10 must submit to the Governor and the General Assembly a biennial
11 comprehensive statewide economic development strategy for the
12 African American community with a report on progress from the
13 previous comprehensive strategy.

14 The comprehensive statewide economic development strategy
15 may include, but is not limited to:

16 (1) an assessment of the African American community's
17 economic vitality;

18 (2) recommended goals, objectives, and priorities for
19 the next biennium and the future;

20 (3) a common set of outcomes and benchmarks for the
21 economic development system as a whole for the African
22 American community;

23 (4) recommendations for removing barriers for African
24 Americans in employment;

25 (5) an inventory of existing relevant programs
26 compiled by the Commission from materials submitted by

1 agencies;

2 (6) recommendations for expanding, discontinuing, or
3 redirecting existing programs or adding new programs to
4 better serve the African American community; and

5 (7) recommendations of best practices and public and
6 private sector roles in implementing the comprehensive
7 statewide economic development strategy.

8 In developing the biennial statewide economic development
9 strategy, goals, objectives, priorities, and recommendations,
10 the Commission shall consult, collaborate, and coordinate with
11 relevant State agencies, private sector business, nonprofit
12 organizations involved in economic development, trade
13 associations, associate development organizations, and
14 relevant local organizations in order to avoid duplication of
15 effort.

16 State agencies shall cooperate with the Commission and
17 provide information as the Commission may reasonably request.

18 The Commission shall review and make budget
19 recommendations to the Governor's Office of Management and
20 Budget and the General Assembly in areas relating to the
21 economic development in the State's African American
22 community.

23 The Commission shall evaluate its own performance on a
24 regular basis.

25 The Commission may accept gifts, grants, donations,
26 sponsorships, or contributions from any federal, State, or

1 local governmental agency or program, or any private source,
2 and expend the same for any purpose consistent with this
3 Section.

4 (b) The Commission shall consist of 12 voting members,
5 appointed by the Governor, 4 of whom shall be appointed to
6 serve an initial term of one year, 4 of whom shall be appointed
7 to serve an initial term of 2 years, and 4 of whom shall be
8 appointed to serve an initial term of 3 years. After the
9 initial term, each member shall be appointed to a term of 3
10 years. Members of the Commission shall serve at the pleasure of
11 the Governor for not more than 2 consecutive 3-year terms. In
12 appointing members, the Governor shall appoint individuals
13 from the following private industry sectors:

14 (1) energy;

15 (2) at least 2 individuals from manufacturing, one of
16 whom shall represent a company with no more than 75
17 employees;

18 (3) transportation, construction, and logistics;

19 (4) travel and tourism;

20 (5) financial services and insurance;

21 (6) information technology and communications;

22 (7) biotechnology; and

23 (8) a member of the Illinois Black Chamber of Commerce.

24 The members of the Commission shall choose a member to
25 serve as chair of the Commission. The members of the Commission
26 shall be representative, to the extent possible, of the various

1 geographic areas of the State. The Director shall serve as an
2 ad hoc nonvoting member of the Commission. Vacancies shall be
3 filled in the same manner as the original appointments. The
4 members of the Commission shall serve without compensation.

5 (c) The Commission shall meet at least 4 times per year,
6 with at least one meeting each calendar quarter, at the call of
7 the Director or 4 voting members of the Commission. The staff
8 and support for the Commission shall be provided by the
9 Department.

10 (d) The Commission and Department are encouraged to involve
11 other essential groups in the work of the Commission,
12 including, but not limited to:

13 (1) public universities;

14 (2) community colleges;

15 (3) other educational institutions; and

16 (4) the Department of Labor.

17 (e) The Commission shall make recommendations, which must
18 be approved by a majority of the members of the Commission, to
19 the Department concerning the award of grants from amounts
20 appropriated to the Department from the African American
21 Community Economic Development Fund, a special fund in the
22 State treasury. The Department shall make grants to public or
23 private entities submitting proposals to the Commission to
24 assist in the economic development of the African American
25 community. Grants may be used by these entities only for those
26 purposes conditioned with the grant. The Commission shall

1 coordinate with the Department to develop grant criteria.

2 (f) For the purposes of this Section:

3 "Department" means the Department of Commerce and Economic
4 Opportunity.

5 "Director" means the Director of Commerce and Economic
6 Opportunity.

7 "Educational institutions" means nonprofit public and
8 private colleges, community colleges, State colleges, and
9 universities in this State.

10 Section 90-8. The Illinois Lottery Law is amended by
11 changing Section 9.1 as follows:

12 (20 ILCS 1605/9.1)

13 Sec. 9.1. Private manager and management agreement.

14 (a) As used in this Section:

15 "Offeror" means a person or group of persons that responds
16 to a request for qualifications under this Section.

17 "Request for qualifications" means all materials and
18 documents prepared by the Department to solicit the following
19 from offerors:

20 (1) Statements of qualifications.

21 (2) Proposals to enter into a management agreement,
22 including the identity of any prospective vendor or vendors
23 that the offeror intends to initially engage to assist the
24 offeror in performing its obligations under the management

1 agreement.

2 "Final offer" means the last proposal submitted by an
3 offeror in response to the request for qualifications,
4 including the identity of any prospective vendor or vendors
5 that the offeror intends to initially engage to assist the
6 offeror in performing its obligations under the management
7 agreement.

8 "Final offeror" means the offeror ultimately selected by
9 the Governor to be the private manager for the Lottery under
10 subsection (h) of this Section.

11 (b) By September 15, 2010, the Governor shall select a
12 private manager for the total management of the Lottery with
13 integrated functions, such as lottery game design, supply of
14 goods and services, and advertising and as specified in this
15 Section.

16 (c) Pursuant to the terms of this subsection, the
17 Department shall endeavor to expeditiously terminate the
18 existing contracts in support of the Lottery in effect on the
19 effective date of this amendatory Act of the 96th General
20 Assembly in connection with the selection of the private
21 manager. As part of its obligation to terminate these contracts
22 and select the private manager, the Department shall establish
23 a mutually agreeable timetable to transfer the functions of
24 existing contractors to the private manager so that existing
25 Lottery operations are not materially diminished or impaired
26 during the transition. To that end, the Department shall do the

1 following:

2 (1) where such contracts contain a provision
3 authorizing termination upon notice, the Department shall
4 provide notice of termination to occur upon the mutually
5 agreed timetable for transfer of functions;

6 (2) upon the expiration of any initial term or renewal
7 term of the current Lottery contracts, the Department shall
8 not renew such contract for a term extending beyond the
9 mutually agreed timetable for transfer of functions; or

10 (3) in the event any current contract provides for
11 termination of that contract upon the implementation of a
12 contract with the private manager, the Department shall
13 perform all necessary actions to terminate the contract on
14 the date that coincides with the mutually agreed timetable
15 for transfer of functions.

16 If the contracts to support the current operation of the
17 Lottery in effect on the effective date of this amendatory Act
18 of the 96th General Assembly are not subject to termination as
19 provided for in this subsection (c), then the Department may
20 include a provision in the contract with the private manager
21 specifying a mutually agreeable methodology for incorporation.

22 (c-5) The Department shall include provisions in the
23 management agreement whereby the private manager shall, for a
24 fee, and pursuant to a contract negotiated with the Department
25 (the "Employee Use Contract"), utilize the services of current
26 Department employees to assist in the administration and

1 operation of the Lottery. The Department shall be the employer
2 of all such bargaining unit employees assigned to perform such
3 work for the private manager, and such employees shall be State
4 employees, as defined by the Personnel Code. Department
5 employees shall operate under the same employment policies,
6 rules, regulations, and procedures, as other employees of the
7 Department. In addition, neither historical representation
8 rights under the Illinois Public Labor Relations Act, nor
9 existing collective bargaining agreements, shall be disturbed
10 by the management agreement with the private manager for the
11 management of the Lottery.

12 (d) The management agreement with the private manager shall
13 include all of the following:

14 (1) A term not to exceed 10 years, including any
15 renewals.

16 (2) A provision specifying that the Department:

17 (A) shall exercise actual control over all
18 significant business decisions;

19 (A-5) has the authority to direct or countermand
20 operating decisions by the private manager at any time;

21 (B) has ready access at any time to information
22 regarding Lottery operations;

23 (C) has the right to demand and receive information
24 from the private manager concerning any aspect of the
25 Lottery operations at any time; and

26 (D) retains ownership of all trade names,

1 trademarks, and intellectual property associated with
2 the Lottery.

3 (3) A provision imposing an affirmative duty on the
4 private manager to provide the Department with material
5 information and with any information the private manager
6 reasonably believes the Department would want to know to
7 enable the Department to conduct the Lottery.

8 (4) A provision requiring the private manager to
9 provide the Department with advance notice of any operating
10 decision that bears significantly on the public interest,
11 including, but not limited to, decisions on the kinds of
12 games to be offered to the public and decisions affecting
13 the relative risk and reward of the games being offered, so
14 the Department has a reasonable opportunity to evaluate and
15 countermand that decision.

16 (5) A provision providing for compensation of the
17 private manager that may consist of, among other things, a
18 fee for services and a performance based bonus as
19 consideration for managing the Lottery, including terms
20 that may provide the private manager with an increase in
21 compensation if Lottery revenues grow by a specified
22 percentage in a given year.

23 (6) (Blank).

24 (7) A provision requiring the deposit of all Lottery
25 proceeds to be deposited into the State Lottery Fund except
26 as otherwise provided in Section 20 of this Act.

1 (8) A provision requiring the private manager to locate
2 its principal office within the State.

3 (8-5) A provision encouraging that at least 20% of the
4 cost of contracts entered into for goods and services by
5 the private manager in connection with its management of
6 the Lottery, other than contracts with sales agents or
7 technical advisors, be awarded to businesses that are a
8 minority owned business, a female owned business, or a
9 business owned by a person with disability, as those terms
10 are defined in the Business Enterprise for Minorities,
11 Females, and Persons with Disabilities Act.

12 (9) A requirement that so long as the private manager
13 complies with all the conditions of the agreement under the
14 oversight of the Department, the private manager shall have
15 the following duties and obligations with respect to the
16 management of the Lottery:

17 (A) The right to use equipment and other assets
18 used in the operation of the Lottery.

19 (B) The rights and obligations under contracts
20 with retailers and vendors.

21 (C) The implementation of a comprehensive security
22 program by the private manager.

23 (D) The implementation of a comprehensive system
24 of internal audits.

25 (E) The implementation of a program by the private
26 manager to curb compulsive gambling by persons playing

1 the Lottery.

2 (F) A system for determining (i) the type of
3 Lottery games, (ii) the method of selecting winning
4 tickets, (iii) the manner of payment of prizes to
5 holders of winning tickets, (iv) the frequency of
6 drawings of winning tickets, (v) the method to be used
7 in selling tickets, (vi) a system for verifying the
8 validity of tickets claimed to be winning tickets,
9 (vii) the basis upon which retailer commissions are
10 established by the manager, and (viii) minimum
11 payouts.

12 (10) A requirement that advertising and promotion must
13 be consistent with Section 7.8a of this Act.

14 (11) A requirement that the private manager market the
15 Lottery to those residents who are new, infrequent, or
16 lapsed players of the Lottery, especially those who are
17 most likely to make regular purchases on the Internet as
18 permitted by law.

19 (12) A code of ethics for the private manager's
20 officers and employees.

21 (13) A requirement that the Department monitor and
22 oversee the private manager's practices and take action
23 that the Department considers appropriate to ensure that
24 the private manager is in compliance with the terms of the
25 management agreement, while allowing the manager, unless
26 specifically prohibited by law or the management

1 agreement, to negotiate and sign its own contracts with
2 vendors.

3 (14) A provision requiring the private manager to
4 periodically file, at least on an annual basis, appropriate
5 financial statements in a form and manner acceptable to the
6 Department.

7 (15) Cash reserves requirements.

8 (16) Procedural requirements for obtaining the prior
9 approval of the Department when a management agreement or
10 an interest in a management agreement is sold, assigned,
11 transferred, or pledged as collateral to secure financing.

12 (17) Grounds for the termination of the management
13 agreement by the Department or the private manager.

14 (18) Procedures for amendment of the agreement.

15 (19) A provision requiring the private manager to
16 engage in an open and competitive bidding process for any
17 procurement having a cost in excess of \$50,000 that is not
18 a part of the private manager's final offer. The process
19 shall favor the selection of a vendor deemed to have
20 submitted a proposal that provides the Lottery with the
21 best overall value. The process shall not be subject to the
22 provisions of the Illinois Procurement Code, unless
23 specifically required by the management agreement.

24 (20) The transition of rights and obligations,
25 including any associated equipment or other assets used in
26 the operation of the Lottery, from the manager to any

1 successor manager of the lottery, including the
2 Department, following the termination of or foreclosure
3 upon the management agreement.

4 (21) Right of use of copyrights, trademarks, and
5 service marks held by the Department in the name of the
6 State. The agreement must provide that any use of them by
7 the manager shall only be for the purpose of fulfilling its
8 obligations under the management agreement during the term
9 of the agreement.

10 (22) The disclosure of any information requested by the
11 Department to enable it to comply with the reporting
12 requirements and information requests provided for under
13 subsection (p) of this Section.

14 (e) Notwithstanding any other law to the contrary, the
15 Department shall select a private manager through a competitive
16 request for qualifications process consistent with Section
17 20-35 of the Illinois Procurement Code, which shall take into
18 account:

19 (1) the offeror's ability to market the Lottery to
20 those residents who are new, infrequent, or lapsed players
21 of the Lottery, especially those who are most likely to
22 make regular purchases on the Internet;

23 (2) the offeror's ability to address the State's
24 concern with the social effects of gambling on those who
25 can least afford to do so;

26 (3) the offeror's ability to provide the most

1 successful management of the Lottery for the benefit of the
2 people of the State based on current and past business
3 practices or plans of the offeror; and

4 (4) the offeror's poor or inadequate past performance
5 in servicing, equipping, operating or managing a lottery on
6 behalf of Illinois, another State or foreign government and
7 attracting persons who are not currently regular players of
8 a lottery.

9 (f) The Department may retain the services of an advisor or
10 advisors with significant experience in financial services or
11 the management, operation, and procurement of goods, services,
12 and equipment for a government-run lottery to assist in the
13 preparation of the terms of the request for qualifications and
14 selection of the private manager. Any prospective advisor
15 seeking to provide services under this subsection (f) shall
16 disclose any material business or financial relationship
17 during the past 3 years with any potential offeror, or with a
18 contractor or subcontractor presently providing goods,
19 services, or equipment to the Department to support the
20 Lottery. The Department shall evaluate the material business or
21 financial relationship of each prospective advisor. The
22 Department shall not select any prospective advisor with a
23 substantial business or financial relationship that the
24 Department deems to impair the objectivity of the services to
25 be provided by the prospective advisor. During the course of
26 the advisor's engagement by the Department, and for a period of

1 one year thereafter, the advisor shall not enter into any
2 business or financial relationship with any offeror or any
3 vendor identified to assist an offeror in performing its
4 obligations under the management agreement. Any advisor
5 retained by the Department shall be disqualified from being an
6 offeror. The Department shall not include terms in the request
7 for qualifications that provide a material advantage whether
8 directly or indirectly to any potential offeror, or any
9 contractor or subcontractor presently providing goods,
10 services, or equipment to the Department to support the
11 Lottery, including terms contained in previous responses to
12 requests for proposals or qualifications submitted to
13 Illinois, another State or foreign government when those terms
14 are uniquely associated with a particular potential offeror,
15 contractor, or subcontractor. The request for proposals
16 offered by the Department on December 22, 2008 as
17 "LOT08GAMESYS" and reference number "22016176" is declared
18 void.

19 (g) The Department shall select at least 2 offerors as
20 finalists to potentially serve as the private manager no later
21 than August 9, 2010. Upon making preliminary selections, the
22 Department shall schedule a public hearing on the finalists'
23 proposals and provide public notice of the hearing at least 7
24 calendar days before the hearing. The notice must include all
25 of the following:

- 26 (1) The date, time, and place of the hearing.

1 (2) The subject matter of the hearing.

2 (3) A brief description of the management agreement to
3 be awarded.

4 (4) The identity of the offerors that have been
5 selected as finalists to serve as the private manager.

6 (5) The address and telephone number of the Department.

7 (h) At the public hearing, the Department shall (i) provide
8 sufficient time for each finalist to present and explain its
9 proposal to the Department and the Governor or the Governor's
10 designee, including an opportunity to respond to questions
11 posed by the Department, Governor, or designee and (ii) allow
12 the public and non-selected offerors to comment on the
13 presentations. The Governor or a designee shall attend the
14 public hearing. After the public hearing, the Department shall
15 have 14 calendar days to recommend to the Governor whether a
16 management agreement should be entered into with a particular
17 finalist. After reviewing the Department's recommendation, the
18 Governor may accept or reject the Department's recommendation,
19 and shall select a final offeror as the private manager by
20 publication of a notice in the Illinois Procurement Bulletin on
21 or before September 15, 2010. The Governor shall include in the
22 notice a detailed explanation and the reasons why the final
23 offeror is superior to other offerors and will provide
24 management services in a manner that best achieves the
25 objectives of this Section. The Governor shall also sign the
26 management agreement with the private manager.

1 (i) Any action to contest the private manager selected by
2 the Governor under this Section must be brought within 7
3 calendar days after the publication of the notice of the
4 designation of the private manager as provided in subsection
5 (h) of this Section.

6 (j) The Lottery shall remain, for so long as a private
7 manager manages the Lottery in accordance with provisions of
8 this Act, a Lottery conducted by the State, and the State shall
9 not be authorized to sell or transfer the Lottery to a third
10 party.

11 (k) Any tangible personal property used exclusively in
12 connection with the lottery that is owned by the Department and
13 leased to the private manager shall be owned by the Department
14 in the name of the State and shall be considered to be public
15 property devoted to an essential public and governmental
16 function.

17 (l) The Department may exercise any of its powers under
18 this Section or any other law as necessary or desirable for the
19 execution of the Department's powers under this Section.

20 (m) Neither this Section nor any management agreement
21 entered into under this Section prohibits the General Assembly
22 from authorizing forms of gambling that are not in direct
23 competition with the Lottery. The forms of gambling authorized
24 by this amendatory Act of the 98th General Assembly constitute
25 authorized forms of gambling that are not in direct competition
26 with the Lottery.

1 (n) The private manager shall be subject to a complete
2 investigation in the third, seventh, and tenth years of the
3 agreement (if the agreement is for a 10-year term) by the
4 Department in cooperation with the Auditor General to determine
5 whether the private manager has complied with this Section and
6 the management agreement. The private manager shall bear the
7 cost of an investigation or reinvestigation of the private
8 manager under this subsection.

9 (o) The powers conferred by this Section are in addition
10 and supplemental to the powers conferred by any other law. If
11 any other law or rule is inconsistent with this Section,
12 including, but not limited to, provisions of the Illinois
13 Procurement Code, then this Section controls as to any
14 management agreement entered into under this Section. This
15 Section and any rules adopted under this Section contain full
16 and complete authority for a management agreement between the
17 Department and a private manager. No law, procedure,
18 proceeding, publication, notice, consent, approval, order, or
19 act by the Department or any other officer, Department, agency,
20 or instrumentality of the State or any political subdivision is
21 required for the Department to enter into a management
22 agreement under this Section. This Section contains full and
23 complete authority for the Department to approve any contracts
24 entered into by a private manager with a vendor providing
25 goods, services, or both goods and services to the private
26 manager under the terms of the management agreement, including

1 subcontractors of such vendors.

2 Upon receipt of a written request from the Chief
3 Procurement Officer, the Department shall provide to the Chief
4 Procurement Officer a complete and un-redacted copy of the
5 management agreement or any contract that is subject to the
6 Department's approval authority under this subsection (o). The
7 Department shall provide a copy of the agreement or contract to
8 the Chief Procurement Officer in the time specified by the
9 Chief Procurement Officer in his or her written request, but no
10 later than 5 business days after the request is received by the
11 Department. The Chief Procurement Officer must retain any
12 portions of the management agreement or of any contract
13 designated by the Department as confidential, proprietary, or
14 trade secret information in complete confidence pursuant to
15 subsection (g) of Section 7 of the Freedom of Information Act.
16 The Department shall also provide the Chief Procurement Officer
17 with reasonable advance written notice of any contract that is
18 pending Department approval.

19 Notwithstanding any other provision of this Section to the
20 contrary, the Chief Procurement Officer shall adopt
21 administrative rules, including emergency rules, to establish
22 a procurement process to select a successor private manager if
23 a private management agreement has been terminated. The
24 selection process shall at a minimum take into account the
25 criteria set forth in items (1) through (4) of subsection (e)
26 of this Section and may include provisions consistent with

1 subsections (f), (g), (h), and (i) of this Section. The Chief
2 Procurement Officer shall also implement and administer the
3 adopted selection process upon the termination of a private
4 management agreement. The Department, after the Chief
5 Procurement Officer certifies that the procurement process has
6 been followed in accordance with the rules adopted under this
7 subsection (o), shall select a final offeror as the private
8 manager and sign the management agreement with the private
9 manager.

10 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and
11 21.8, the Department shall distribute all proceeds of lottery
12 tickets and shares sold in the following priority and manner:

13 (1) The payment of prizes and retailer bonuses.

14 (2) The payment of costs incurred in the operation and
15 administration of the Lottery, including the payment of
16 sums due to the private manager under the management
17 agreement with the Department.

18 (3) On the last day of each month or as soon thereafter
19 as possible, the State Comptroller shall direct and the
20 State Treasurer shall transfer from the State Lottery Fund
21 to the Common School Fund an amount that is equal to the
22 proceeds transferred in the corresponding month of fiscal
23 year 2009, as adjusted for inflation, to the Common School
24 Fund.

25 (4) On or before the last day of each fiscal year,
26 deposit any remaining proceeds, subject to payments under

1 items (1), (2), and (3) into the Capital Projects Fund each
2 fiscal year.

3 (p) The Department shall be subject to the following
4 reporting and information request requirements:

5 (1) the Department shall submit written quarterly
6 reports to the Governor and the General Assembly on the
7 activities and actions of the private manager selected
8 under this Section;

9 (2) upon request of the Chief Procurement Officer, the
10 Department shall promptly produce information related to
11 the procurement activities of the Department and the
12 private manager requested by the Chief Procurement
13 Officer; the Chief Procurement Officer must retain
14 confidential, proprietary, or trade secret information
15 designated by the Department in complete confidence
16 pursuant to subsection (g) of Section 7 of the Freedom of
17 Information Act; and

18 (3) at least 30 days prior to the beginning of the
19 Department's fiscal year, the Department shall prepare an
20 annual written report on the activities of the private
21 manager selected under this Section and deliver that report
22 to the Governor and General Assembly.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
24 eff. 12-23-09; 97-464, eff. 8-19-11; revised 10-17-12.)

25 Section 90-10. The Department of Revenue Law of the Civil

1 Administrative Code of Illinois is amended by changing Section
2 2505-305 as follows:

3 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

4 Sec. 2505-305. Investigators.

5 (a) The Department has the power to appoint investigators
6 to conduct all investigations, searches, seizures, arrests,
7 and other duties imposed under the provisions of any law
8 administered by the Department. Except as provided in
9 subsection (c), these investigators have and may exercise all
10 the powers of peace officers solely for the purpose of
11 enforcing taxing measures administered by the Department.

12 (b) The Director must authorize to each investigator
13 employed under this Section and to any other employee of the
14 Department exercising the powers of a peace officer a distinct
15 badge that, on its face, (i) clearly states that the badge is
16 authorized by the Department and (ii) contains a unique
17 identifying number. No other badge shall be authorized by the
18 Department.

19 (c) The Department may enter into agreements with the
20 Illinois Gaming Board providing that investigators appointed
21 under this Section shall exercise the peace officer powers set
22 forth in paragraph (20.6) of subsection (c) of Section 5 of the
23 Illinois Riverboat ~~Riverboat~~ Gambling Act.

24 (Source: P.A. 96-37, eff. 7-13-09.)

1 Section 90-12. The Illinois State Auditing Act is amended
2 by changing Section 3-1 as follows:

3 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

4 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
5 General has jurisdiction over all State agencies to make post
6 audits and investigations authorized by or under this Act or
7 the Constitution.

8 The Auditor General has jurisdiction over local government
9 agencies and private agencies only:

10 (a) to make such post audits authorized by or under
11 this Act as are necessary and incidental to a post audit of
12 a State agency or of a program administered by a State
13 agency involving public funds of the State, but this
14 jurisdiction does not include any authority to review local
15 governmental agencies in the obligation, receipt,
16 expenditure or use of public funds of the State that are
17 granted without limitation or condition imposed by law,
18 other than the general limitation that such funds be used
19 for public purposes;

20 (b) to make investigations authorized by or under this
21 Act or the Constitution; and

22 (c) to make audits of the records of local government
23 agencies to verify actual costs of state-mandated programs
24 when directed to do so by the Legislative Audit Commission
25 at the request of the State Board of Appeals under the

1 State Mandates Act.

2 In addition to the foregoing, the Auditor General may
3 conduct an audit of the Metropolitan Pier and Exposition
4 Authority, the Regional Transportation Authority, the Suburban
5 Bus Division, the Commuter Rail Division and the Chicago
6 Transit Authority and any other subsidized carrier when
7 authorized by the Legislative Audit Commission. Such audit may
8 be a financial, management or program audit, or any combination
9 thereof.

10 The audit shall determine whether they are operating in
11 accordance with all applicable laws and regulations. Subject to
12 the limitations of this Act, the Legislative Audit Commission
13 may by resolution specify additional determinations to be
14 included in the scope of the audit.

15 In addition to the foregoing, the Auditor General must also
16 conduct a financial audit of the Illinois Sports Facilities
17 Authority's expenditures of public funds in connection with the
18 reconstruction, renovation, remodeling, extension, or
19 improvement of all or substantially all of any existing
20 "facility", as that term is defined in the Illinois Sports
21 Facilities Authority Act.

22 The Auditor General may also conduct an audit, when
23 authorized by the Legislative Audit Commission, of any hospital
24 which receives 10% or more of its gross revenues from payments
25 from the State of Illinois, Department of Healthcare and Family
26 Services (formerly Department of Public Aid), Medical

1 Assistance Program.

2 The Auditor General is authorized to conduct financial and
3 compliance audits of the Illinois Distance Learning Foundation
4 and the Illinois Conservation Foundation.

5 As soon as practical after the effective date of this
6 amendatory Act of 1995, the Auditor General shall conduct a
7 compliance and management audit of the City of Chicago and any
8 other entity with regard to the operation of Chicago O'Hare
9 International Airport, Chicago Midway Airport and Merrill C.
10 Meigs Field. The audit shall include, but not be limited to, an
11 examination of revenues, expenses, and transfers of funds;
12 purchasing and contracting policies and practices; staffing
13 levels; and hiring practices and procedures. When completed,
14 the audit required by this paragraph shall be distributed in
15 accordance with Section 3-14.

16 The Auditor General shall conduct a financial and
17 compliance and program audit of distributions from the
18 Municipal Economic Development Fund during the immediately
19 preceding calendar year pursuant to Section 8-403.1 of the
20 Public Utilities Act at no cost to the city, village, or
21 incorporated town that received the distributions.

22 The Auditor General must conduct an audit of the Health
23 Facilities and Services Review Board pursuant to Section 19.5
24 of the Illinois Health Facilities Planning Act.

25 The Auditor General must conduct an audit of the Chicago
26 Casino Development Authority pursuant to Section 1-60 of the

1 Chicago Casino Development Authority Act.

2 The Auditor General of the State of Illinois shall annually
3 conduct or cause to be conducted a financial and compliance
4 audit of the books and records of any county water commission
5 organized pursuant to the Water Commission Act of 1985 and
6 shall file a copy of the report of that audit with the Governor
7 and the Legislative Audit Commission. The filed audit shall be
8 open to the public for inspection. The cost of the audit shall
9 be charged to the county water commission in accordance with
10 Section 6z-27 of the State Finance Act. The county water
11 commission shall make available to the Auditor General its
12 books and records and any other documentation, whether in the
13 possession of its trustees or other parties, necessary to
14 conduct the audit required. These audit requirements apply only
15 through July 1, 2007.

16 The Auditor General must conduct audits of the Rend Lake
17 Conservancy District as provided in Section 25.5 of the River
18 Conservancy Districts Act.

19 The Auditor General must conduct financial audits of the
20 Southeastern Illinois Economic Development Authority as
21 provided in Section 70 of the Southeastern Illinois Economic
22 Development Authority Act.

23 The Auditor General shall conduct a compliance audit in
24 accordance with subsections (d) and (f) of Section 30 of the
25 Innovation Development and Economy Act.

26 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;

1 96-939, eff. 6-24-10.)

2 Section 90-15. The State Finance Act is amended by adding
3 Sections 5.826, 5.829, 5.830, 5.831, 5.832, 5.833, 6z-98,
4 6z-99, and 6z-100 as follows:

5 (30 ILCS 105/5.826 new)

6 Sec. 5.826. The Gaming Facilities Fee Revenue Fund.

7 (30 ILCS 105/5.829 new)

8 Sec. 5.829. The State Fairgrounds Capital Improvement
9 Fund.

10 (30 ILCS 105/5.830 new)

11 Sec. 5.830. The Depressed Communities Economic Development
12 Fund.

13 (30 ILCS 105/5.831 new)

14 Sec. 5.831. The Latino Community Economic Development
15 Fund.

16 (30 ILCS 105/5.832 new)

17 Sec. 5.832. The African American Community Economic
18 Development Fund.

19 (30 ILCS 105/5.833 new)

1 Sec. 5.833. The Future of Agriculture Fund.

2 (30 ILCS 105/6z-98 new)

3 Sec. 6z-98. The Gaming Facilities Fee Revenue Fund.

4 (a) The Gaming Facilities Fee Revenue Fund is created as a
5 special fund in the State treasury.

6 (b) The revenues in the Fund shall be used, subject to
7 appropriation, by the Comptroller for the purpose of (i)
8 providing appropriations to the Illinois Gaming Board for the
9 administration and enforcement of the Illinois Gambling Act and
10 the applicable provisions of the Chicago Casino Development
11 Authority Act, (ii) providing appropriations to the Illinois
12 Racing Board for the administration and enforcement of the
13 Illinois Horse Racing Act of 1975, and (iii) payment of
14 vouchers that are outstanding for more than 60 days. Whenever
15 practical, the Comptroller must prioritize voucher payments
16 for expenses related to medical assistance under the Illinois
17 Public Aid Code, the Children's Health Insurance Program Act,
18 the Covering ALL KIDS Health Insurance Act, and the Senior
19 Citizens and Disabled Persons Property Tax Relief and
20 Pharmaceutical Assistance Act.

21 (c) The Fund shall consist of fee revenues received
22 pursuant to subsection (e) of Section 1-45 of the Chicago
23 Casino Development Authority Act and pursuant to subsections
24 (e-10), (e-15), (e-25), and (h-5) of Section 7 and subsections
25 (b), (c), (d), and (k) of Section 7.6 of the Illinois Gambling

1 Act. All interest earned on moneys in the Fund shall be
2 deposited into the Fund.

3 (d) The Fund shall not be subject to administrative charges
4 or chargebacks, including, but not limited to, those authorized
5 under subsection (h) of Section 8 of this Act.

6 (30 ILCS 105/6z-99 new)

7 Sec. 6z-99. The State Fairgrounds Capital Improvement
8 Fund. There is created the State Fairgrounds Capital
9 Improvement Fund, a special fund in the State treasury. Moneys
10 in the Fund may be used by the Department of Agriculture,
11 subject to appropriation, solely for infrastructure
12 improvements to the Illinois State Fairgrounds in Sangamon
13 County, including, but not limited to, track surfaces (main
14 track and practice track), grandstands, audio and visual
15 systems, paddocks and barns and associated surface areas,
16 restroom facilities on the backstretch, and roadway surfaces
17 around the racing facility. In addition, no more than 5% of the
18 moneys annually transferred into the Fund may be used by the
19 Department for all costs associated with fire protection and
20 fire protection services for the Illinois State Fairgrounds.
21 The State Fairgrounds Capital Improvement Fund is not subject
22 to administrative chargebacks, including, but not limited to,
23 those authorized under Section 8h of the State Finance Act.

24 (30 ILCS 105/6z-100 new)

1 Sec. 6z-100. The Future of Agriculture Fund. There is
2 created the Future of Agriculture Fund, a special fund in the
3 State treasury. Moneys in the Fund may be used by the
4 Department of Agriculture, subject to appropriation, for
5 grants to (1) county fairs, as defined by Section 2 of the
6 Agricultural Fair Act, (2) the Illinois Association FFA, and
7 (3) University of Illinois Extension 4-H programs.
8 Additionally, the first \$5,000,000 of deposits into the Fund
9 shall be used for promotional costs associated with the
10 Illinois State Fairgrounds in Sangamon County. The Future of
11 Agriculture Fund is not subject to administrative chargebacks,
12 including, but not limited to, those authorized under Section
13 8h of the State Finance Act.

14 Section 90-20. The Illinois Income Tax Act is amended by
15 changing Sections 201, 303, 304 and 710 as follows:

16 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

17 Sec. 201. Tax Imposed.

18 (a) In general. A tax measured by net income is hereby
19 imposed on every individual, corporation, trust and estate for
20 each taxable year ending after July 31, 1969 on the privilege
21 of earning or receiving income in or as a resident of this
22 State. Such tax shall be in addition to all other occupation or
23 privilege taxes imposed by this State or by any municipal
24 corporation or political subdivision thereof.

1 (b) Rates. The tax imposed by subsection (a) of this
2 Section shall be determined as follows, except as adjusted by
3 subsection (d-1):

4 (1) In the case of an individual, trust or estate, for
5 taxable years ending prior to July 1, 1989, an amount equal
6 to 2 1/2% of the taxpayer's net income for the taxable
7 year.

8 (2) In the case of an individual, trust or estate, for
9 taxable years beginning prior to July 1, 1989 and ending
10 after June 30, 1989, an amount equal to the sum of (i) 2
11 1/2% of the taxpayer's net income for the period prior to
12 July 1, 1989, as calculated under Section 202.3, and (ii)
13 3% of the taxpayer's net income for the period after June
14 30, 1989, as calculated under Section 202.3.

15 (3) In the case of an individual, trust or estate, for
16 taxable years beginning after June 30, 1989, and ending
17 prior to January 1, 2011, an amount equal to 3% of the
18 taxpayer's net income for the taxable year.

19 (4) In the case of an individual, trust, or estate, for
20 taxable years beginning prior to January 1, 2011, and
21 ending after December 31, 2010, an amount equal to the sum
22 of (i) 3% of the taxpayer's net income for the period prior
23 to January 1, 2011, as calculated under Section 202.5, and
24 (ii) 5% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (5) In the case of an individual, trust, or estate, for

1 taxable years beginning on or after January 1, 2011, and
2 ending prior to January 1, 2015, an amount equal to 5% of
3 the taxpayer's net income for the taxable year.

4 (5.1) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to January 1, 2015, and
6 ending after December 31, 2014, an amount equal to the sum
7 of (i) 5% of the taxpayer's net income for the period prior
8 to January 1, 2015, as calculated under Section 202.5, and
9 (ii) 3.75% of the taxpayer's net income for the period
10 after December 31, 2014, as calculated under Section 202.5.

11 (5.2) In the case of an individual, trust, or estate,
12 for taxable years beginning on or after January 1, 2015,
13 and ending prior to January 1, 2025, an amount equal to
14 3.75% of the taxpayer's net income for the taxable year.

15 (5.3) In the case of an individual, trust, or estate,
16 for taxable years beginning prior to January 1, 2025, and
17 ending after December 31, 2024, an amount equal to the sum
18 of (i) 3.75% of the taxpayer's net income for the period
19 prior to January 1, 2025, as calculated under Section
20 202.5, and (ii) 3.25% of the taxpayer's net income for the
21 period after December 31, 2024, as calculated under Section
22 202.5.

23 (5.4) In the case of an individual, trust, or estate,
24 for taxable years beginning on or after January 1, 2025, an
25 amount equal to 3.25% of the taxpayer's net income for the
26 taxable year.

1 (6) In the case of a corporation, for taxable years
2 ending prior to July 1, 1989, an amount equal to 4% of the
3 taxpayer's net income for the taxable year.

4 (7) In the case of a corporation, for taxable years
5 beginning prior to July 1, 1989 and ending after June 30,
6 1989, an amount equal to the sum of (i) 4% of the
7 taxpayer's net income for the period prior to July 1, 1989,
8 as calculated under Section 202.3, and (ii) 4.8% of the
9 taxpayer's net income for the period after June 30, 1989,
10 as calculated under Section 202.3.

11 (8) In the case of a corporation, for taxable years
12 beginning after June 30, 1989, and ending prior to January
13 1, 2011, an amount equal to 4.8% of the taxpayer's net
14 income for the taxable year.

15 (9) In the case of a corporation, for taxable years
16 beginning prior to January 1, 2011, and ending after
17 December 31, 2010, an amount equal to the sum of (i) 4.8%
18 of the taxpayer's net income for the period prior to
19 January 1, 2011, as calculated under Section 202.5, and
20 (ii) 7% of the taxpayer's net income for the period after
21 December 31, 2010, as calculated under Section 202.5.

22 (10) In the case of a corporation, for taxable years
23 beginning on or after January 1, 2011, and ending prior to
24 January 1, 2015, an amount equal to 7% of the taxpayer's
25 net income for the taxable year.

26 (11) In the case of a corporation, for taxable years

1 beginning prior to January 1, 2015, and ending after
2 December 31, 2014, an amount equal to the sum of (i) 7% of
3 the taxpayer's net income for the period prior to January
4 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
5 of the taxpayer's net income for the period after December
6 31, 2014, as calculated under Section 202.5.

7 (12) In the case of a corporation, for taxable years
8 beginning on or after January 1, 2015, and ending prior to
9 January 1, 2025, an amount equal to 5.25% of the taxpayer's
10 net income for the taxable year.

11 (13) In the case of a corporation, for taxable years
12 beginning prior to January 1, 2025, and ending after
13 December 31, 2024, an amount equal to the sum of (i) 5.25%
14 of the taxpayer's net income for the period prior to
15 January 1, 2025, as calculated under Section 202.5, and
16 (ii) 4.8% of the taxpayer's net income for the period after
17 December 31, 2024, as calculated under Section 202.5.

18 (14) In the case of a corporation, for taxable years
19 beginning on or after January 1, 2025, an amount equal to
20 4.8% of the taxpayer's net income for the taxable year.

21 The rates under this subsection (b) are subject to the
22 provisions of Section 201.5.

23 (b-5) Surcharge; sale or exchange of assets, properties,
24 and intangibles of electronic gaming licensees. For each of
25 taxable years 2013 through 2021, a surcharge is imposed on all
26 taxpayers on income arising from the sale or exchange of

1 capital assets, depreciable business property, real property
2 used in the trade or business, and Section 197 intangibles (i)
3 of an organization licensee under the Illinois Horse Racing Act
4 of 1975 and (ii) of an electronic gaming licensee under the
5 Illinois Gambling Act. The amount of the surcharge is equal to
6 the amount of federal income tax liability for the taxable year
7 attributable to those sales and exchanges. The surcharge
8 imposed shall not apply if:

9 (1) the electronic gaming license, organization
10 license, or race track property is transferred as a result
11 of any of the following:

12 (A) bankruptcy, a receivership, or a debt
13 adjustment initiated by or against the initial
14 licensee or the substantial owners of the initial
15 licensee;

16 (B) cancellation, revocation, or termination of
17 any such license by the Illinois Gaming Board or the
18 Illinois Racing Board;

19 (C) a determination by the Illinois Gaming Board
20 that transfer of the license is in the best interests
21 of Illinois gaming;

22 (D) the death of an owner of the equity interest in
23 a licensee;

24 (E) the acquisition of a controlling interest in
25 the stock or substantially all of the assets of a
26 publicly traded company;

1 (F) a transfer by a parent company to a wholly
2 owned subsidiary; or

3 (G) the transfer or sale to or by one person to
4 another person where both persons were initial owners
5 of the license when the license was issued; or

6 (2) the controlling interest in the electronic gaming
7 license, organization license, or race track property is
8 transferred in a transaction to lineal descendants in which
9 no gain or loss is recognized or as a result of a
10 transaction in accordance with Section 351 of the Internal
11 Revenue Code in which no gain or loss is recognized; or

12 (3) live horse racing was not conducted in 2011 under a
13 license issued pursuant to the Illinois Horse Racing Act of
14 1975.

15 The transfer of an electronic gaming license, organization
16 license, or race track property by a person other than the
17 initial licensee to receive the electronic gaming license is
18 not subject to a surcharge. The Department shall adopt rules
19 necessary to implement and administer this subsection.

20 (c) Personal Property Tax Replacement Income Tax.
21 Beginning on July 1, 1979 and thereafter, in addition to such
22 income tax, there is also hereby imposed the Personal Property
23 Tax Replacement Income Tax measured by net income on every
24 corporation (including Subchapter S corporations), partnership
25 and trust, for each taxable year ending after June 30, 1979.
26 Such taxes are imposed on the privilege of earning or receiving

1 income in or as a resident of this State. The Personal Property
2 Tax Replacement Income Tax shall be in addition to the income
3 tax imposed by subsections (a) and (b) of this Section and in
4 addition to all other occupation or privilege taxes imposed by
5 this State or by any municipal corporation or political
6 subdivision thereof.

7 (d) Additional Personal Property Tax Replacement Income
8 Tax Rates. The personal property tax replacement income tax
9 imposed by this subsection and subsection (c) of this Section
10 in the case of a corporation, other than a Subchapter S
11 corporation and except as adjusted by subsection (d-1), shall
12 be an additional amount equal to 2.85% of such taxpayer's net
13 income for the taxable year, except that beginning on January
14 1, 1981, and thereafter, the rate of 2.85% specified in this
15 subsection shall be reduced to 2.5%, and in the case of a
16 partnership, trust or a Subchapter S corporation shall be an
17 additional amount equal to 1.5% of such taxpayer's net income
18 for the taxable year.

19 (d-1) Rate reduction for certain foreign insurers. In the
20 case of a foreign insurer, as defined by Section 35A-5 of the
21 Illinois Insurance Code, whose state or country of domicile
22 imposes on insurers domiciled in Illinois a retaliatory tax
23 (excluding any insurer whose premiums from reinsurance assumed
24 are 50% or more of its total insurance premiums as determined
25 under paragraph (2) of subsection (b) of Section 304, except
26 that for purposes of this determination premiums from

1 reinsurance do not include premiums from inter-affiliate
2 reinsurance arrangements), beginning with taxable years ending
3 on or after December 31, 1999, the sum of the rates of tax
4 imposed by subsections (b) and (d) shall be reduced (but not
5 increased) to the rate at which the total amount of tax imposed
6 under this Act, net of all credits allowed under this Act,
7 shall equal (i) the total amount of tax that would be imposed
8 on the foreign insurer's net income allocable to Illinois for
9 the taxable year by such foreign insurer's state or country of
10 domicile if that net income were subject to all income taxes
11 and taxes measured by net income imposed by such foreign
12 insurer's state or country of domicile, net of all credits
13 allowed or (ii) a rate of zero if no such tax is imposed on such
14 income by the foreign insurer's state of domicile. For the
15 purposes of this subsection (d-1), an inter-affiliate includes
16 a mutual insurer under common management.

17 (1) For the purposes of subsection (d-1), in no event
18 shall the sum of the rates of tax imposed by subsections
19 (b) and (d) be reduced below the rate at which the sum of:

20 (A) the total amount of tax imposed on such foreign
21 insurer under this Act for a taxable year, net of all
22 credits allowed under this Act, plus

23 (B) the privilege tax imposed by Section 409 of the
24 Illinois Insurance Code, the fire insurance company
25 tax imposed by Section 12 of the Fire Investigation
26 Act, and the fire department taxes imposed under

1 Section 11-10-1 of the Illinois Municipal Code,
2 equals 1.25% for taxable years ending prior to December 31,
3 2003, or 1.75% for taxable years ending on or after
4 December 31, 2003, of the net taxable premiums written for
5 the taxable year, as described by subsection (1) of Section
6 409 of the Illinois Insurance Code. This paragraph will in
7 no event increase the rates imposed under subsections (b)
8 and (d).

9 (2) Any reduction in the rates of tax imposed by this
10 subsection shall be applied first against the rates imposed
11 by subsection (b) and only after the tax imposed by
12 subsection (a) net of all credits allowed under this
13 Section other than the credit allowed under subsection (i)
14 has been reduced to zero, against the rates imposed by
15 subsection (d).

16 This subsection (d-1) is exempt from the provisions of
17 Section 250.

18 (e) Investment credit. A taxpayer shall be allowed a credit
19 against the Personal Property Tax Replacement Income Tax for
20 investment in qualified property.

21 (1) A taxpayer shall be allowed a credit equal to .5%
22 of the basis of qualified property placed in service during
23 the taxable year, provided such property is placed in
24 service on or after July 1, 1984. There shall be allowed an
25 additional credit equal to .5% of the basis of qualified
26 property placed in service during the taxable year,

1 provided such property is placed in service on or after
2 July 1, 1986, and the taxpayer's base employment within
3 Illinois has increased by 1% or more over the preceding
4 year as determined by the taxpayer's employment records
5 filed with the Illinois Department of Employment Security.
6 Taxpayers who are new to Illinois shall be deemed to have
7 met the 1% growth in base employment for the first year in
8 which they file employment records with the Illinois
9 Department of Employment Security. The provisions added to
10 this Section by Public Act 85-1200 (and restored by Public
11 Act 87-895) shall be construed as declaratory of existing
12 law and not as a new enactment. If, in any year, the
13 increase in base employment within Illinois over the
14 preceding year is less than 1%, the additional credit shall
15 be limited to that percentage times a fraction, the
16 numerator of which is .5% and the denominator of which is
17 1%, but shall not exceed .5%. The investment credit shall
18 not be allowed to the extent that it would reduce a
19 taxpayer's liability in any tax year below zero, nor may
20 any credit for qualified property be allowed for any year
21 other than the year in which the property was placed in
22 service in Illinois. For tax years ending on or after
23 December 31, 1987, and on or before December 31, 1988, the
24 credit shall be allowed for the tax year in which the
25 property is placed in service, or, if the amount of the
26 credit exceeds the tax liability for that year, whether it

1 exceeds the original liability or the liability as later
2 amended, such excess may be carried forward and applied to
3 the tax liability of the 5 taxable years following the
4 excess credit years if the taxpayer (i) makes investments
5 which cause the creation of a minimum of 2,000 full-time
6 equivalent jobs in Illinois, (ii) is located in an
7 enterprise zone established pursuant to the Illinois
8 Enterprise Zone Act and (iii) is certified by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity) as
11 complying with the requirements specified in clause (i) and
12 (ii) by July 1, 1986. The Department of Commerce and
13 Community Affairs (now Department of Commerce and Economic
14 Opportunity) shall notify the Department of Revenue of all
15 such certifications immediately. For tax years ending
16 after December 31, 1988, the credit shall be allowed for
17 the tax year in which the property is placed in service,
18 or, if the amount of the credit exceeds the tax liability
19 for that year, whether it exceeds the original liability or
20 the liability as later amended, such excess may be carried
21 forward and applied to the tax liability of the 5 taxable
22 years following the excess credit years. The credit shall
23 be applied to the earliest year for which there is a
24 liability. If there is credit from more than one tax year
25 that is available to offset a liability, earlier credit
26 shall be applied first.

1 (2) The term "qualified property" means property
2 which:

3 (A) is tangible, whether new or used, including
4 buildings and structural components of buildings and
5 signs that are real property, but not including land or
6 improvements to real property that are not a structural
7 component of a building such as landscaping, sewer
8 lines, local access roads, fencing, parking lots, and
9 other appurtenances;

10 (B) is depreciable pursuant to Section 167 of the
11 Internal Revenue Code, except that "3-year property"
12 as defined in Section 168(c)(2)(A) of that Code is not
13 eligible for the credit provided by this subsection
14 (e);

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

17 (D) is used in Illinois by a taxpayer who is
18 primarily engaged in manufacturing, or in mining coal
19 or fluorite, or in retailing, or was placed in service
20 on or after July 1, 2006 in a River Edge Redevelopment
21 Zone established pursuant to the River Edge
22 Redevelopment Zone Act; and

23 (E) has not previously been used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (e) or
26 subsection (f).

1 (3) For purposes of this subsection (e),
2 "manufacturing" means the material staging and production
3 of tangible personal property by procedures commonly
4 regarded as manufacturing, processing, fabrication, or
5 assembling which changes some existing material into new
6 shapes, new qualities, or new combinations. For purposes of
7 this subsection (e) the term "mining" shall have the same
8 meaning as the term "mining" in Section 613(c) of the
9 Internal Revenue Code. For purposes of this subsection (e),
10 the term "retailing" means the sale of tangible personal
11 property for use or consumption and not for resale, or
12 services rendered in conjunction with the sale of tangible
13 personal property for use or consumption and not for
14 resale. For purposes of this subsection (e), "tangible
15 personal property" has the same meaning as when that term
16 is used in the Retailers' Occupation Tax Act, and, for
17 taxable years ending after December 31, 2008, does not
18 include the generation, transmission, or distribution of
19 electricity.

20 (4) The basis of qualified property shall be the basis
21 used to compute the depreciation deduction for federal
22 income tax purposes.

23 (5) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed
25 in service in Illinois by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

2 (6) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (7) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside Illinois within 48
8 months after being placed in service, the Personal Property
9 Tax Replacement Income Tax for such taxable year shall be
10 increased. Such increase shall be determined by (i)
11 recomputing the investment credit which would have been
12 allowed for the year in which credit for such property was
13 originally allowed by eliminating such property from such
14 computation and, (ii) subtracting such recomputed credit
15 from the amount of credit previously allowed. For the
16 purposes of this paragraph (7), a reduction of the basis of
17 qualified property resulting from a redetermination of the
18 purchase price shall be deemed a disposition of qualified
19 property to the extent of such reduction.

20 (8) Unless the investment credit is extended by law,
21 the basis of qualified property shall not include costs
22 incurred after December 31, 2018, except for costs incurred
23 pursuant to a binding contract entered into on or before
24 December 31, 2018.

25 (9) Each taxable year ending before December 31, 2000,
26 a partnership may elect to pass through to its partners the

1 credits to which the partnership is entitled under this
2 subsection (e) for the taxable year. A partner may use the
3 credit allocated to him or her under this paragraph only
4 against the tax imposed in subsections (c) and (d) of this
5 Section. If the partnership makes that election, those
6 credits shall be allocated among the partners in the
7 partnership in accordance with the rules set forth in
8 Section 704(b) of the Internal Revenue Code, and the rules
9 promulgated under that Section, and the allocated amount of
10 the credits shall be allowed to the partners for that
11 taxable year. The partnership shall make this election on
12 its Personal Property Tax Replacement Income Tax return for
13 that taxable year. The election to pass through the credits
14 shall be irrevocable.

15 For taxable years ending on or after December 31, 2000,
16 a partner that qualifies its partnership for a subtraction
17 under subparagraph (I) of paragraph (2) of subsection (d)
18 of Section 203 or a shareholder that qualifies a Subchapter
19 S corporation for a subtraction under subparagraph (S) of
20 paragraph (2) of subsection (b) of Section 203 shall be
21 allowed a credit under this subsection (e) equal to its
22 share of the credit earned under this subsection (e) during
23 the taxable year by the partnership or Subchapter S
24 corporation, determined in accordance with the
25 determination of income and distributive share of income
26 under Sections 702 and 704 and Subchapter S of the Internal

1 Revenue Code. This paragraph is exempt from the provisions
2 of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge
4 Redevelopment Zone.

5 (1) A taxpayer shall be allowed a credit against the
6 tax imposed by subsections (a) and (b) of this Section for
7 investment in qualified property which is placed in service
8 in an Enterprise Zone created pursuant to the Illinois
9 Enterprise Zone Act or, for property placed in service on
10 or after July 1, 2006, a River Edge Redevelopment Zone
11 established pursuant to the River Edge Redevelopment Zone
12 Act. For partners, shareholders of Subchapter S
13 corporations, and owners of limited liability companies,
14 if the liability company is treated as a partnership for
15 purposes of federal and State income taxation, there shall
16 be allowed a credit under this subsection (f) to be
17 determined in accordance with the determination of income
18 and distributive share of income under Sections 702 and 704
19 and Subchapter S of the Internal Revenue Code. The credit
20 shall be .5% of the basis for such property. The credit
21 shall be available only in the taxable year in which the
22 property is placed in service in the Enterprise Zone or
23 River Edge Redevelopment Zone and shall not be allowed to
24 the extent that it would reduce a taxpayer's liability for
25 the tax imposed by subsections (a) and (b) of this Section
26 to below zero. For tax years ending on or after December

1 31, 1985, the credit shall be allowed for the tax year in
2 which the property is placed in service, or, if the amount
3 of the credit exceeds the tax liability for that year,
4 whether it exceeds the original liability or the liability
5 as later amended, such excess may be carried forward and
6 applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit shall be
8 applied to the earliest year for which there is a
9 liability. If there is credit from more than one tax year
10 that is available to offset a liability, the credit
11 accruing first in time shall be applied first.

12 (2) The term qualified property means property which:

13 (A) is tangible, whether new or used, including
14 buildings and structural components of buildings;

15 (B) is depreciable pursuant to Section 167 of the
16 Internal Revenue Code, except that "3-year property"
17 as defined in Section 168(c)(2)(A) of that Code is not
18 eligible for the credit provided by this subsection
19 (f);

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

22 (D) is used in the Enterprise Zone or River Edge
23 Redevelopment Zone by the taxpayer; and

24 (E) has not been previously used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (f) or

1 subsection (e).

2 (3) The basis of qualified property shall be the basis
3 used to compute the depreciation deduction for federal
4 income tax purposes.

5 (4) If the basis of the property for federal income tax
6 depreciation purposes is increased after it has been placed
7 in service in the Enterprise Zone or River Edge
8 Redevelopment Zone by the taxpayer, the amount of such
9 increase shall be deemed property placed in service on the
10 date of such increase in basis.

11 (5) The term "placed in service" shall have the same
12 meaning as under Section 46 of the Internal Revenue Code.

13 (6) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside the Enterprise Zone
17 or River Edge Redevelopment Zone within 48 months after
18 being placed in service, the tax imposed under subsections
19 (a) and (b) of this Section for such taxable year shall be
20 increased. Such increase shall be determined by (i)
21 recomputing the investment credit which would have been
22 allowed for the year in which credit for such property was
23 originally allowed by eliminating such property from such
24 computation, and (ii) subtracting such recomputed credit
25 from the amount of credit previously allowed. For the
26 purposes of this paragraph (6), a reduction of the basis of

1 qualified property resulting from a redetermination of the
2 purchase price shall be deemed a disposition of qualified
3 property to the extent of such reduction.

4 (7) There shall be allowed an additional credit equal
5 to 0.5% of the basis of qualified property placed in
6 service during the taxable year in a River Edge
7 Redevelopment Zone, provided such property is placed in
8 service on or after July 1, 2006, and the taxpayer's base
9 employment within Illinois has increased by 1% or more over
10 the preceding year as determined by the taxpayer's
11 employment records filed with the Illinois Department of
12 Employment Security. Taxpayers who are new to Illinois
13 shall be deemed to have met the 1% growth in base
14 employment for the first year in which they file employment
15 records with the Illinois Department of Employment
16 Security. If, in any year, the increase in base employment
17 within Illinois over the preceding year is less than 1%,
18 the additional credit shall be limited to that percentage
19 times a fraction, the numerator of which is 0.5% and the
20 denominator of which is 1%, but shall not exceed 0.5%.

21 (g) Jobs Tax Credit; River Edge Redevelopment Zone and
22 Foreign Trade Zone or Sub-Zone.

23 (1) A taxpayer conducting a trade or business, for
24 taxable years ending on or after December 31, 2006, in a
25 River Edge Redevelopment Zone or conducting a trade or
26 business in a federally designated Foreign Trade Zone or

1 Sub-Zone shall be allowed a credit against the tax imposed
2 by subsections (a) and (b) of this Section in the amount of
3 \$500 per eligible employee hired to work in the zone during
4 the taxable year.

5 (2) To qualify for the credit:

6 (A) the taxpayer must hire 5 or more eligible
7 employees to work in a River Edge Redevelopment Zone or
8 federally designated Foreign Trade Zone or Sub-Zone
9 during the taxable year;

10 (B) the taxpayer's total employment within the
11 River Edge Redevelopment Zone or federally designated
12 Foreign Trade Zone or Sub-Zone must increase by 5 or
13 more full-time employees beyond the total employed in
14 that zone at the end of the previous tax year for which
15 a jobs tax credit under this Section was taken, or
16 beyond the total employed by the taxpayer as of
17 December 31, 1985, whichever is later; and

18 (C) the eligible employees must be employed 180
19 consecutive days in order to be deemed hired for
20 purposes of this subsection.

21 (3) An "eligible employee" means an employee who is:

22 (A) Certified by the Department of Commerce and
23 Economic Opportunity as "eligible for services"
24 pursuant to regulations promulgated in accordance with
25 Title II of the Job Training Partnership Act, Training
26 Services for the Disadvantaged or Title III of the Job

1 Training Partnership Act, Employment and Training
2 Assistance for Dislocated Workers Program.

3 (B) Hired after the River Edge Redevelopment Zone
4 or federally designated Foreign Trade Zone or Sub-Zone
5 was designated or the trade or business was located in
6 that zone, whichever is later.

7 (C) Employed in the River Edge Redevelopment Zone
8 or Foreign Trade Zone or Sub-Zone. An employee is
9 employed in a federally designated Foreign Trade Zone
10 or Sub-Zone if his services are rendered there or it is
11 the base of operations for the services performed.

12 (D) A full-time employee working 30 or more hours
13 per week.

14 (4) For tax years ending on or after December 31, 1985
15 and prior to December 31, 1988, the credit shall be allowed
16 for the tax year in which the eligible employees are hired.
17 For tax years ending on or after December 31, 1988, the
18 credit shall be allowed for the tax year immediately
19 following the tax year in which the eligible employees are
20 hired. If the amount of the credit exceeds the tax
21 liability for that year, whether it exceeds the original
22 liability or the liability as later amended, such excess
23 may be carried forward and applied to the tax liability of
24 the 5 taxable years following the excess credit year. The
25 credit shall be applied to the earliest year for which
26 there is a liability. If there is credit from more than one

1 tax year that is available to offset a liability, earlier
2 credit shall be applied first.

3 (5) The Department of Revenue shall promulgate such
4 rules and regulations as may be deemed necessary to carry
5 out the purposes of this subsection (g).

6 (6) The credit shall be available for eligible
7 employees hired on or after January 1, 1986.

8 (h) Investment credit; High Impact Business.

9 (1) Subject to subsections (b) and (b-5) of Section 5.5
10 of the Illinois Enterprise Zone Act, a taxpayer shall be
11 allowed a credit against the tax imposed by subsections (a)
12 and (b) of this Section for investment in qualified
13 property which is placed in service by a Department of
14 Commerce and Economic Opportunity designated High Impact
15 Business. The credit shall be .5% of the basis for such
16 property. The credit shall not be available (i) until the
17 minimum investments in qualified property set forth in
18 subdivision (a)(3)(A) of Section 5.5 of the Illinois
19 Enterprise Zone Act have been satisfied or (ii) until the
20 time authorized in subsection (b-5) of the Illinois
21 Enterprise Zone Act for entities designated as High Impact
22 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
23 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
24 Act, and shall not be allowed to the extent that it would
25 reduce a taxpayer's liability for the tax imposed by
26 subsections (a) and (b) of this Section to below zero. The

1 credit applicable to such investments shall be taken in the
2 taxable year in which such investments have been completed.
3 The credit for additional investments beyond the minimum
4 investment by a designated high impact business authorized
5 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
6 Enterprise Zone Act shall be available only in the taxable
7 year in which the property is placed in service and shall
8 not be allowed to the extent that it would reduce a
9 taxpayer's liability for the tax imposed by subsections (a)
10 and (b) of this Section to below zero. For tax years ending
11 on or after December 31, 1987, the credit shall be allowed
12 for the tax year in which the property is placed in
13 service, or, if the amount of the credit exceeds the tax
14 liability for that year, whether it exceeds the original
15 liability or the liability as later amended, such excess
16 may be carried forward and applied to the tax liability of
17 the 5 taxable years following the excess credit year. The
18 credit shall be applied to the earliest year for which
19 there is a liability. If there is credit from more than one
20 tax year that is available to offset a liability, the
21 credit accruing first in time shall be applied first.

22 Changes made in this subdivision (h) (1) by Public Act
23 88-670 restore changes made by Public Act 85-1182 and
24 reflect existing law.

25 (2) The term qualified property means property which:

26 (A) is tangible, whether new or used, including

1 buildings and structural components of buildings;

2 (B) is depreciable pursuant to Section 167 of the
3 Internal Revenue Code, except that "3-year property"
4 as defined in Section 168(c)(2)(A) of that Code is not
5 eligible for the credit provided by this subsection
6 (h);

7 (C) is acquired by purchase as defined in Section
8 179(d) of the Internal Revenue Code; and

9 (D) is not eligible for the Enterprise Zone
10 Investment Credit provided by subsection (f) of this
11 Section.

12 (3) The basis of qualified property shall be the basis
13 used to compute the depreciation deduction for federal
14 income tax purposes.

15 (4) If the basis of the property for federal income tax
16 depreciation purposes is increased after it has been placed
17 in service in a federally designated Foreign Trade Zone or
18 Sub-Zone located in Illinois by the taxpayer, the amount of
19 such increase shall be deemed property placed in service on
20 the date of such increase in basis.

21 (5) The term "placed in service" shall have the same
22 meaning as under Section 46 of the Internal Revenue Code.

23 (6) If during any taxable year ending on or before
24 December 31, 1996, any property ceases to be qualified
25 property in the hands of the taxpayer within 48 months
26 after being placed in service, or the situs of any

1 qualified property is moved outside Illinois within 48
2 months after being placed in service, the tax imposed under
3 subsections (a) and (b) of this Section for such taxable
4 year shall be increased. Such increase shall be determined
5 by (i) recomputing the investment credit which would have
6 been allowed for the year in which credit for such property
7 was originally allowed by eliminating such property from
8 such computation, and (ii) subtracting such recomputed
9 credit from the amount of credit previously allowed. For
10 the purposes of this paragraph (6), a reduction of the
11 basis of qualified property resulting from a
12 redetermination of the purchase price shall be deemed a
13 disposition of qualified property to the extent of such
14 reduction.

15 (7) Beginning with tax years ending after December 31,
16 1996, if a taxpayer qualifies for the credit under this
17 subsection (h) and thereby is granted a tax abatement and
18 the taxpayer relocates its entire facility in violation of
19 the explicit terms and length of the contract under Section
20 18-183 of the Property Tax Code, the tax imposed under
21 subsections (a) and (b) of this Section shall be increased
22 for the taxable year in which the taxpayer relocated its
23 facility by an amount equal to the amount of credit
24 received by the taxpayer under this subsection (h).

25 (i) Credit for Personal Property Tax Replacement Income
26 Tax. For tax years ending prior to December 31, 2003, a credit

1 shall be allowed against the tax imposed by subsections (a) and
2 (b) of this Section for the tax imposed by subsections (c) and
3 (d) of this Section. This credit shall be computed by
4 multiplying the tax imposed by subsections (c) and (d) of this
5 Section by a fraction, the numerator of which is base income
6 allocable to Illinois and the denominator of which is Illinois
7 base income, and further multiplying the product by the tax
8 rate imposed by subsections (a) and (b) of this Section.

9 Any credit earned on or after December 31, 1986 under this
10 subsection which is unused in the year the credit is computed
11 because it exceeds the tax liability imposed by subsections (a)
12 and (b) for that year (whether it exceeds the original
13 liability or the liability as later amended) may be carried
14 forward and applied to the tax liability imposed by subsections
15 (a) and (b) of the 5 taxable years following the excess credit
16 year, provided that no credit may be carried forward to any
17 year ending on or after December 31, 2003. This credit shall be
18 applied first to the earliest year for which there is a
19 liability. If there is a credit under this subsection from more
20 than one tax year that is available to offset a liability the
21 earliest credit arising under this subsection shall be applied
22 first.

23 If, during any taxable year ending on or after December 31,
24 1986, the tax imposed by subsections (c) and (d) of this
25 Section for which a taxpayer has claimed a credit under this
26 subsection (i) is reduced, the amount of credit for such tax

1 shall also be reduced. Such reduction shall be determined by
2 recomputing the credit to take into account the reduced tax
3 imposed by subsections (c) and (d). If any portion of the
4 reduced amount of credit has been carried to a different
5 taxable year, an amended return shall be filed for such taxable
6 year to reduce the amount of credit claimed.

7 (j) Training expense credit. Beginning with tax years
8 ending on or after December 31, 1986 and prior to December 31,
9 2003, a taxpayer shall be allowed a credit against the tax
10 imposed by subsections (a) and (b) under this Section for all
11 amounts paid or accrued, on behalf of all persons employed by
12 the taxpayer in Illinois or Illinois residents employed outside
13 of Illinois by a taxpayer, for educational or vocational
14 training in semi-technical or technical fields or semi-skilled
15 or skilled fields, which were deducted from gross income in the
16 computation of taxable income. The credit against the tax
17 imposed by subsections (a) and (b) shall be 1.6% of such
18 training expenses. For partners, shareholders of subchapter S
19 corporations, and owners of limited liability companies, if the
20 liability company is treated as a partnership for purposes of
21 federal and State income taxation, there shall be allowed a
22 credit under this subsection (j) to be determined in accordance
23 with the determination of income and distributive share of
24 income under Sections 702 and 704 and subchapter S of the
25 Internal Revenue Code.

26 Any credit allowed under this subsection which is unused in

1 the year the credit is earned may be carried forward to each of
2 the 5 taxable years following the year for which the credit is
3 first computed until it is used. This credit shall be applied
4 first to the earliest year for which there is a liability. If
5 there is a credit under this subsection from more than one tax
6 year that is available to offset a liability the earliest
7 credit arising under this subsection shall be applied first. No
8 carryforward credit may be claimed in any tax year ending on or
9 after December 31, 2003.

10 (k) Research and development credit. For tax years ending
11 after July 1, 1990 and prior to December 31, 2003, and
12 beginning again for tax years ending on or after December 31,
13 2004, and ending prior to January 1, 2016, a taxpayer shall be
14 allowed a credit against the tax imposed by subsections (a) and
15 (b) of this Section for increasing research activities in this
16 State. The credit allowed against the tax imposed by
17 subsections (a) and (b) shall be equal to 6 1/2% of the
18 qualifying expenditures for increasing research activities in
19 this State. For partners, shareholders of subchapter S
20 corporations, and owners of limited liability companies, if the
21 liability company is treated as a partnership for purposes of
22 federal and State income taxation, there shall be allowed a
23 credit under this subsection to be determined in accordance
24 with the determination of income and distributive share of
25 income under Sections 702 and 704 and subchapter S of the
26 Internal Revenue Code.

1 For purposes of this subsection, "qualifying expenditures"
2 means the qualifying expenditures as defined for the federal
3 credit for increasing research activities which would be
4 allowable under Section 41 of the Internal Revenue Code and
5 which are conducted in this State, "qualifying expenditures for
6 increasing research activities in this State" means the excess
7 of qualifying expenditures for the taxable year in which
8 incurred over qualifying expenditures for the base period,
9 "qualifying expenditures for the base period" means the average
10 of the qualifying expenditures for each year in the base
11 period, and "base period" means the 3 taxable years immediately
12 preceding the taxable year for which the determination is being
13 made.

14 Any credit in excess of the tax liability for the taxable
15 year may be carried forward. A taxpayer may elect to have the
16 unused credit shown on its final completed return carried over
17 as a credit against the tax liability for the following 5
18 taxable years or until it has been fully used, whichever occurs
19 first; provided that no credit earned in a tax year ending
20 prior to December 31, 2003 may be carried forward to any year
21 ending on or after December 31, 2003.

22 If an unused credit is carried forward to a given year from
23 2 or more earlier years, that credit arising in the earliest
24 year will be applied first against the tax liability for the
25 given year. If a tax liability for the given year still
26 remains, the credit from the next earliest year will then be

1 applied, and so on, until all credits have been used or no tax
2 liability for the given year remains. Any remaining unused
3 credit or credits then will be carried forward to the next
4 following year in which a tax liability is incurred, except
5 that no credit can be carried forward to a year which is more
6 than 5 years after the year in which the expense for which the
7 credit is given was incurred.

8 No inference shall be drawn from this amendatory Act of the
9 91st General Assembly in construing this Section for taxable
10 years beginning before January 1, 1999.

11 (1) Environmental Remediation Tax Credit.

12 (i) For tax years ending after December 31, 1997 and on
13 or before December 31, 2001, a taxpayer shall be allowed a
14 credit against the tax imposed by subsections (a) and (b)
15 of this Section for certain amounts paid for unreimbursed
16 eligible remediation costs, as specified in this
17 subsection. For purposes of this Section, "unreimbursed
18 eligible remediation costs" means costs approved by the
19 Illinois Environmental Protection Agency ("Agency") under
20 Section 58.14 of the Environmental Protection Act that were
21 paid in performing environmental remediation at a site for
22 which a No Further Remediation Letter was issued by the
23 Agency and recorded under Section 58.10 of the
24 Environmental Protection Act. The credit must be claimed
25 for the taxable year in which Agency approval of the
26 eligible remediation costs is granted. The credit is not

1 available to any taxpayer if the taxpayer or any related
2 party caused or contributed to, in any material respect, a
3 release of regulated substances on, in, or under the site
4 that was identified and addressed by the remedial action
5 pursuant to the Site Remediation Program of the
6 Environmental Protection Act. After the Pollution Control
7 Board rules are adopted pursuant to the Illinois
8 Administrative Procedure Act for the administration and
9 enforcement of Section 58.9 of the Environmental
10 Protection Act, determinations as to credit availability
11 for purposes of this Section shall be made consistent with
12 those rules. For purposes of this Section, "taxpayer"
13 includes a person whose tax attributes the taxpayer has
14 succeeded to under Section 381 of the Internal Revenue Code
15 and "related party" includes the persons disallowed a
16 deduction for losses by paragraphs (b), (c), and (f)(1) of
17 Section 267 of the Internal Revenue Code by virtue of being
18 a related taxpayer, as well as any of its partners. The
19 credit allowed against the tax imposed by subsections (a)
20 and (b) shall be equal to 25% of the unreimbursed eligible
21 remediation costs in excess of \$100,000 per site, except
22 that the \$100,000 threshold shall not apply to any site
23 contained in an enterprise zone as determined by the
24 Department of Commerce and Community Affairs (now
25 Department of Commerce and Economic Opportunity). The
26 total credit allowed shall not exceed \$40,000 per year with

1 a maximum total of \$150,000 per site. For partners and
2 shareholders of subchapter S corporations, there shall be
3 allowed a credit under this subsection to be determined in
4 accordance with the determination of income and
5 distributive share of income under Sections 702 and 704 and
6 subchapter S of the Internal Revenue Code.

7 (ii) A credit allowed under this subsection that is
8 unused in the year the credit is earned may be carried
9 forward to each of the 5 taxable years following the year
10 for which the credit is first earned until it is used. The
11 term "unused credit" does not include any amounts of
12 unreimbursed eligible remediation costs in excess of the
13 maximum credit per site authorized under paragraph (i).
14 This credit shall be applied first to the earliest year for
15 which there is a liability. If there is a credit under this
16 subsection from more than one tax year that is available to
17 offset a liability, the earliest credit arising under this
18 subsection shall be applied first. A credit allowed under
19 this subsection may be sold to a buyer as part of a sale of
20 all or part of the remediation site for which the credit
21 was granted. The purchaser of a remediation site and the
22 tax credit shall succeed to the unused credit and remaining
23 carry-forward period of the seller. To perfect the
24 transfer, the assignor shall record the transfer in the
25 chain of title for the site and provide written notice to
26 the Director of the Illinois Department of Revenue of the

1 assignor's intent to sell the remediation site and the
2 amount of the tax credit to be transferred as a portion of
3 the sale. In no event may a credit be transferred to any
4 taxpayer if the taxpayer or a related party would not be
5 eligible under the provisions of subsection (i).

6 (iii) For purposes of this Section, the term "site"
7 shall have the same meaning as under Section 58.2 of the
8 Environmental Protection Act.

9 (m) Education expense credit. Beginning with tax years
10 ending after December 31, 1999, a taxpayer who is the custodian
11 of one or more qualifying pupils shall be allowed a credit
12 against the tax imposed by subsections (a) and (b) of this
13 Section for qualified education expenses incurred on behalf of
14 the qualifying pupils. The credit shall be equal to 25% of
15 qualified education expenses, but in no event may the total
16 credit under this subsection claimed by a family that is the
17 custodian of qualifying pupils exceed \$500. In no event shall a
18 credit under this subsection reduce the taxpayer's liability
19 under this Act to less than zero. This subsection is exempt
20 from the provisions of Section 250 of this Act.

21 For purposes of this subsection:

22 "Qualifying pupils" means individuals who (i) are
23 residents of the State of Illinois, (ii) are under the age of
24 21 at the close of the school year for which a credit is
25 sought, and (iii) during the school year for which a credit is
26 sought were full-time pupils enrolled in a kindergarten through

1 twelfth grade education program at any school, as defined in
2 this subsection.

3 "Qualified education expense" means the amount incurred on
4 behalf of a qualifying pupil in excess of \$250 for tuition,
5 book fees, and lab fees at the school in which the pupil is
6 enrolled during the regular school year.

7 "School" means any public or nonpublic elementary or
8 secondary school in Illinois that is in compliance with Title
9 VI of the Civil Rights Act of 1964 and attendance at which
10 satisfies the requirements of Section 26-1 of the School Code,
11 except that nothing shall be construed to require a child to
12 attend any particular public or nonpublic school to qualify for
13 the credit under this Section.

14 "Custodian" means, with respect to qualifying pupils, an
15 Illinois resident who is a parent, the parents, a legal
16 guardian, or the legal guardians of the qualifying pupils.

17 (n) River Edge Redevelopment Zone site remediation tax
18 credit.

19 (i) For tax years ending on or after December 31, 2006,
20 a taxpayer shall be allowed a credit against the tax
21 imposed by subsections (a) and (b) of this Section for
22 certain amounts paid for unreimbursed eligible remediation
23 costs, as specified in this subsection. For purposes of
24 this Section, "unreimbursed eligible remediation costs"
25 means costs approved by the Illinois Environmental
26 Protection Agency ("Agency") under Section 58.14a of the

1 Environmental Protection Act that were paid in performing
2 environmental remediation at a site within a River Edge
3 Redevelopment Zone for which a No Further Remediation
4 Letter was issued by the Agency and recorded under Section
5 58.10 of the Environmental Protection Act. The credit must
6 be claimed for the taxable year in which Agency approval of
7 the eligible remediation costs is granted. The credit is
8 not available to any taxpayer if the taxpayer or any
9 related party caused or contributed to, in any material
10 respect, a release of regulated substances on, in, or under
11 the site that was identified and addressed by the remedial
12 action pursuant to the Site Remediation Program of the
13 Environmental Protection Act. Determinations as to credit
14 availability for purposes of this Section shall be made
15 consistent with rules adopted by the Pollution Control
16 Board pursuant to the Illinois Administrative Procedure
17 Act for the administration and enforcement of Section 58.9
18 of the Environmental Protection Act. For purposes of this
19 Section, "taxpayer" includes a person whose tax attributes
20 the taxpayer has succeeded to under Section 381 of the
21 Internal Revenue Code and "related party" includes the
22 persons disallowed a deduction for losses by paragraphs
23 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
24 Code by virtue of being a related taxpayer, as well as any
25 of its partners. The credit allowed against the tax imposed
26 by subsections (a) and (b) shall be equal to 25% of the

1 unreimbursed eligible remediation costs in excess of
2 \$100,000 per site.

3 (ii) A credit allowed under this subsection that is
4 unused in the year the credit is earned may be carried
5 forward to each of the 5 taxable years following the year
6 for which the credit is first earned until it is used. This
7 credit shall be applied first to the earliest year for
8 which there is a liability. If there is a credit under this
9 subsection from more than one tax year that is available to
10 offset a liability, the earliest credit arising under this
11 subsection shall be applied first. A credit allowed under
12 this subsection may be sold to a buyer as part of a sale of
13 all or part of the remediation site for which the credit
14 was granted. The purchaser of a remediation site and the
15 tax credit shall succeed to the unused credit and remaining
16 carry-forward period of the seller. To perfect the
17 transfer, the assignor shall record the transfer in the
18 chain of title for the site and provide written notice to
19 the Director of the Illinois Department of Revenue of the
20 assignor's intent to sell the remediation site and the
21 amount of the tax credit to be transferred as a portion of
22 the sale. In no event may a credit be transferred to any
23 taxpayer if the taxpayer or a related party would not be
24 eligible under the provisions of subsection (i).

25 (iii) For purposes of this Section, the term "site"
26 shall have the same meaning as under Section 58.2 of the

1 Environmental Protection Act.

2 (Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09;
3 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff.
4 1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff.
5 8-7-12.)

6 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

7 Sec. 303. (a) In general. Any item of capital gain or loss,
8 and any item of income from rents or royalties from real or
9 tangible personal property, interest, dividends, and patent or
10 copyright royalties, and prizes awarded under the Illinois
11 Lottery Law, and, for taxable years ending on or after December
12 31, 2013, wagering and gambling winnings from Illinois sources
13 as set forth in subsection (e-1) of this Section, to the extent
14 such item constitutes nonbusiness income, together with any
15 item of deduction directly allocable thereto, shall be
16 allocated by any person other than a resident as provided in
17 this Section.

18 (b) Capital gains and losses.

19 (1) Real property. Capital gains and losses from sales
20 or exchanges of real property are allocable to this State
21 if the property is located in this State.

22 (2) Tangible personal property. Capital gains and
23 losses from sales or exchanges of tangible personal
24 property are allocable to this State if, at the time of
25 such sale or exchange:

1 (A) The property had its situs in this State; or

2 (B) The taxpayer had its commercial domicile in
3 this State and was not taxable in the state in which
4 the property had its situs.

5 (3) Intangibles. Capital gains and losses from sales or
6 exchanges of intangible personal property are allocable to
7 this State if the taxpayer had its commercial domicile in
8 this State at the time of such sale or exchange.

9 (c) Rents and royalties.

10 (1) Real property. Rents and royalties from real
11 property are allocable to this State if the property is
12 located in this State.

13 (2) Tangible personal property. Rents and royalties
14 from tangible personal property are allocable to this
15 State:

16 (A) If and to the extent that the property is
17 utilized in this State; or

18 (B) In their entirety if, at the time such rents or
19 royalties were paid or accrued, the taxpayer had its
20 commercial domicile in this State and was not organized
21 under the laws of or taxable with respect to such rents
22 or royalties in the state in which the property was
23 utilized. The extent of utilization of tangible
24 personal property in a state is determined by
25 multiplying the rents or royalties derived from such
26 property by a fraction, the numerator of which is the

1 number of days of physical location of the property in
2 the state during the rental or royalty period in the
3 taxable year and the denominator of which is the number
4 of days of physical location of the property everywhere
5 during all rental or royalty periods in the taxable
6 year. If the physical location of the property during
7 the rental or royalty period is unknown or
8 unascertainable by the taxpayer, tangible personal
9 property is utilized in the state in which the property
10 was located at the time the rental or royalty payer
11 obtained possession.

12 (d) Patent and copyright royalties.

13 (1) Allocation. Patent and copyright royalties are
14 allocable to this State:

15 (A) If and to the extent that the patent or
16 copyright is utilized by the payer in this State; or

17 (B) If and to the extent that the patent or
18 copyright is utilized by the payer in a state in which
19 the taxpayer is not taxable with respect to such
20 royalties and, at the time such royalties were paid or
21 accrued, the taxpayer had its commercial domicile in
22 this State.

23 (2) Utilization.

24 (A) A patent is utilized in a state to the extent
25 that it is employed in production, fabrication,
26 manufacturing or other processing in the state or to

1 the extent that a patented product is produced in the
2 state. If the basis of receipts from patent royalties
3 does not permit allocation to states or if the
4 accounting procedures do not reflect states of
5 utilization, the patent is utilized in this State if
6 the taxpayer has its commercial domicile in this State.

7 (B) A copyright is utilized in a state to the
8 extent that printing or other publication originates
9 in the state. If the basis of receipts from copyright
10 royalties does not permit allocation to states or if
11 the accounting procedures do not reflect states of
12 utilization, the copyright is utilized in this State if
13 the taxpayer has its commercial domicile in this State.

14 (e) Illinois lottery prizes. Prizes awarded under the
15 "Illinois Lottery Law", approved December 14, 1973, are
16 allocable to this State.

17 (e-1) Wagering and gambling winnings. Payments received in
18 taxable years ending on or after December 31, 2013 of winnings
19 from pari-mutuel wagering conducted at a wagering facility
20 licensed under the Illinois Horse Racing Act of 1975 and from
21 gambling games conducted on a riverboat or in a casino or
22 electronic gaming facility licensed under the Illinois
23 Gambling Act are allocable to this State.

24 (e-5) Unemployment benefits. Unemployment benefits paid by
25 the Illinois Department of Employment Security are allocable to
26 this State.

1 (f) Taxability in other state. For purposes of allocation
2 of income pursuant to this Section, a taxpayer is taxable in
3 another state if:

4 (1) In that state he is subject to a net income tax, a
5 franchise tax measured by net income, a franchise tax for
6 the privilege of doing business, or a corporate stock tax;
7 or

8 (2) That state has jurisdiction to subject the taxpayer
9 to a net income tax regardless of whether, in fact, the
10 state does or does not.

11 (g) Cross references.

12 (1) For allocation of interest and dividends by persons
13 other than residents, see Section 301(c) (2).

14 (2) For allocation of nonbusiness income by residents,
15 see Section 301(a).

16 (Source: P.A. 97-709, eff. 7-1-12.)

17 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

18 Sec. 304. Business income of persons other than residents.

19 (a) In general. The business income of a person other than
20 a resident shall be allocated to this State if such person's
21 business income is derived solely from this State. If a person
22 other than a resident derives business income from this State
23 and one or more other states, then, for tax years ending on or
24 before December 30, 1998, and except as otherwise provided by
25 this Section, such person's business income shall be

1 apportioned to this State by multiplying the income by a
2 fraction, the numerator of which is the sum of the property
3 factor (if any), the payroll factor (if any) and 200% of the
4 sales factor (if any), and the denominator of which is 4
5 reduced by the number of factors other than the sales factor
6 which have a denominator of zero and by an additional 2 if the
7 sales factor has a denominator of zero. For tax years ending on
8 or after December 31, 1998, and except as otherwise provided by
9 this Section, persons other than residents who derive business
10 income from this State and one or more other states shall
11 compute their apportionment factor by weighting their
12 property, payroll, and sales factors as provided in subsection
13 (h) of this Section.

14 (1) Property factor.

15 (A) The property factor is a fraction, the numerator of
16 which is the average value of the person's real and
17 tangible personal property owned or rented and used in the
18 trade or business in this State during the taxable year and
19 the denominator of which is the average value of all the
20 person's real and tangible personal property owned or
21 rented and used in the trade or business during the taxable
22 year.

23 (B) Property owned by the person is valued at its
24 original cost. Property rented by the person is valued at 8
25 times the net annual rental rate. Net annual rental rate is
26 the annual rental rate paid by the person less any annual

1 rental rate received by the person from sub-rentals.

2 (C) The average value of property shall be determined
3 by averaging the values at the beginning and ending of the
4 taxable year but the Director may require the averaging of
5 monthly values during the taxable year if reasonably
6 required to reflect properly the average value of the
7 person's property.

8 (2) Payroll factor.

9 (A) The payroll factor is a fraction, the numerator of
10 which is the total amount paid in this State during the
11 taxable year by the person for compensation, and the
12 denominator of which is the total compensation paid
13 everywhere during the taxable year.

14 (B) Compensation is paid in this State if:

15 (i) The individual's service is performed entirely
16 within this State;

17 (ii) The individual's service is performed both
18 within and without this State, but the service
19 performed without this State is incidental to the
20 individual's service performed within this State; or

21 (iii) Some of the service is performed within this
22 State and either the base of operations, or if there is
23 no base of operations, the place from which the service
24 is directed or controlled is within this State, or the
25 base of operations or the place from which the service
26 is directed or controlled is not in any state in which

1 some part of the service is performed, but the
2 individual's residence is in this State.

3 (iv) Compensation paid to nonresident professional
4 athletes.

5 (a) General. The Illinois source income of a
6 nonresident individual who is a member of a
7 professional athletic team includes the portion of the
8 individual's total compensation for services performed
9 as a member of a professional athletic team during the
10 taxable year which the number of duty days spent within
11 this State performing services for the team in any
12 manner during the taxable year bears to the total
13 number of duty days spent both within and without this
14 State during the taxable year.

15 (b) Travel days. Travel days that do not involve
16 either a game, practice, team meeting, or other similar
17 team event are not considered duty days spent in this
18 State. However, such travel days are considered in the
19 total duty days spent both within and without this
20 State.

21 (c) Definitions. For purposes of this subpart

22 (iv):

23 (1) The term "professional athletic team"
24 includes, but is not limited to, any professional
25 baseball, basketball, football, soccer, or hockey
26 team.

1 (2) The term "member of a professional
2 athletic team" includes those employees who are
3 active players, players on the disabled list, and
4 any other persons required to travel and who travel
5 with and perform services on behalf of a
6 professional athletic team on a regular basis.
7 This includes, but is not limited to, coaches,
8 managers, and trainers.

9 (3) Except as provided in items (C) and (D) of
10 this subpart (3), the term "duty days" means all
11 days during the taxable year from the beginning of
12 the professional athletic team's official
13 pre-season training period through the last game
14 in which the team competes or is scheduled to
15 compete. Duty days shall be counted for the year in
16 which they occur, including where a team's
17 official pre-season training period through the
18 last game in which the team competes or is
19 scheduled to compete, occurs during more than one
20 tax year.

21 (A) Duty days shall also include days on
22 which a member of a professional athletic team
23 performs service for a team on a date that does
24 not fall within the foregoing period (e.g.,
25 participation in instructional leagues, the
26 "All Star Game", or promotional "caravans").

1 Performing a service for a professional
2 athletic team includes conducting training and
3 rehabilitation activities, when such
4 activities are conducted at team facilities.

5 (B) Also included in duty days are game
6 days, practice days, days spent at team
7 meetings, promotional caravans, preseason
8 training camps, and days served with the team
9 through all post-season games in which the team
10 competes or is scheduled to compete.

11 (C) Duty days for any person who joins a
12 team during the period from the beginning of
13 the professional athletic team's official
14 pre-season training period through the last
15 game in which the team competes, or is
16 scheduled to compete, shall begin on the day
17 that person joins the team. Conversely, duty
18 days for any person who leaves a team during
19 this period shall end on the day that person
20 leaves the team. Where a person switches teams
21 during a taxable year, a separate duty-day
22 calculation shall be made for the period the
23 person was with each team.

24 (D) Days for which a member of a
25 professional athletic team is not compensated
26 and is not performing services for the team in

1 any manner, including days when such member of
2 a professional athletic team has been
3 suspended without pay and prohibited from
4 performing any services for the team, shall not
5 be treated as duty days.

6 (E) Days for which a member of a
7 professional athletic team is on the disabled
8 list and does not conduct rehabilitation
9 activities at facilities of the team, and is
10 not otherwise performing services for the team
11 in Illinois, shall not be considered duty days
12 spent in this State. All days on the disabled
13 list, however, are considered to be included in
14 total duty days spent both within and without
15 this State.

16 (4) The term "total compensation for services
17 performed as a member of a professional athletic
18 team" means the total compensation received during
19 the taxable year for services performed:

20 (A) from the beginning of the official
21 pre-season training period through the last
22 game in which the team competes or is scheduled
23 to compete during that taxable year; and

24 (B) during the taxable year on a date which
25 does not fall within the foregoing period
26 (e.g., participation in instructional leagues,

1 the "All Star Game", or promotional caravans).

2 This compensation shall include, but is not
3 limited to, salaries, wages, bonuses as described
4 in this subpart, and any other type of compensation
5 paid during the taxable year to a member of a
6 professional athletic team for services performed
7 in that year. This compensation does not include
8 strike benefits, severance pay, termination pay,
9 contract or option year buy-out payments,
10 expansion or relocation payments, or any other
11 payments not related to services performed for the
12 team.

13 For purposes of this subparagraph, "bonuses"
14 included in "total compensation for services
15 performed as a member of a professional athletic
16 team" subject to the allocation described in
17 Section 302(c)(1) are: bonuses earned as a result
18 of play (i.e., performance bonuses) during the
19 season, including bonuses paid for championship,
20 playoff or "bowl" games played by a team, or for
21 selection to all-star league or other honorary
22 positions; and bonuses paid for signing a
23 contract, unless the payment of the signing bonus
24 is not conditional upon the signee playing any
25 games for the team or performing any subsequent
26 services for the team or even making the team, the

1 signing bonus is payable separately from the
2 salary and any other compensation, and the signing
3 bonus is nonrefundable.

4 (3) Sales factor.

5 (A) The sales factor is a fraction, the numerator of
6 which is the total sales of the person in this State during
7 the taxable year, and the denominator of which is the total
8 sales of the person everywhere during the taxable year.

9 (B) Sales of tangible personal property are in this
10 State if:

11 (i) The property is delivered or shipped to a
12 purchaser, other than the United States government,
13 within this State regardless of the f. o. b. point or
14 other conditions of the sale; or

15 (ii) The property is shipped from an office, store,
16 warehouse, factory or other place of storage in this
17 State and either the purchaser is the United States
18 government or the person is not taxable in the state of
19 the purchaser; provided, however, that premises owned
20 or leased by a person who has independently contracted
21 with the seller for the printing of newspapers,
22 periodicals or books shall not be deemed to be an
23 office, store, warehouse, factory or other place of
24 storage for purposes of this Section. Sales of tangible
25 personal property are not in this State if the seller
26 and purchaser would be members of the same unitary

1 business group but for the fact that either the seller
2 or purchaser is a person with 80% or more of total
3 business activity outside of the United States and the
4 property is purchased for resale.

5 (B-1) Patents, copyrights, trademarks, and similar
6 items of intangible personal property.

7 (i) Gross receipts from the licensing, sale, or
8 other disposition of a patent, copyright, trademark,
9 or similar item of intangible personal property, other
10 than gross receipts governed by paragraph (B-7) of this
11 item (3), are in this State to the extent the item is
12 utilized in this State during the year the gross
13 receipts are included in gross income.

14 (ii) Place of utilization.

15 (I) A patent is utilized in a state to the
16 extent that it is employed in production,
17 fabrication, manufacturing, or other processing in
18 the state or to the extent that a patented product
19 is produced in the state. If a patent is utilized
20 in more than one state, the extent to which it is
21 utilized in any one state shall be a fraction equal
22 to the gross receipts of the licensee or purchaser
23 from sales or leases of items produced,
24 fabricated, manufactured, or processed within that
25 state using the patent and of patented items
26 produced within that state, divided by the total of

1 such gross receipts for all states in which the
2 patent is utilized.

3 (II) A copyright is utilized in a state to the
4 extent that printing or other publication
5 originates in the state. If a copyright is utilized
6 in more than one state, the extent to which it is
7 utilized in any one state shall be a fraction equal
8 to the gross receipts from sales or licenses of
9 materials printed or published in that state
10 divided by the total of such gross receipts for all
11 states in which the copyright is utilized.

12 (III) Trademarks and other items of intangible
13 personal property governed by this paragraph (B-1)
14 are utilized in the state in which the commercial
15 domicile of the licensee or purchaser is located.

16 (iii) If the state of utilization of an item of
17 property governed by this paragraph (B-1) cannot be
18 determined from the taxpayer's books and records or
19 from the books and records of any person related to the
20 taxpayer within the meaning of Section 267(b) of the
21 Internal Revenue Code, 26 U.S.C. 267, the gross
22 receipts attributable to that item shall be excluded
23 from both the numerator and the denominator of the
24 sales factor.

25 (B-2) Gross receipts from the license, sale, or other
26 disposition of patents, copyrights, trademarks, and

1 similar items of intangible personal property, other than
2 gross receipts governed by paragraph (B-7) of this item
3 (3), may be included in the numerator or denominator of the
4 sales factor only if gross receipts from licenses, sales,
5 or other disposition of such items comprise more than 50%
6 of the taxpayer's total gross receipts included in gross
7 income during the tax year and during each of the 2
8 immediately preceding tax years; provided that, when a
9 taxpayer is a member of a unitary business group, such
10 determination shall be made on the basis of the gross
11 receipts of the entire unitary business group.

12 (B-5) For taxable years ending on or after December 31,
13 2008, except as provided in subsections (ii) through (vii),
14 receipts from the sale of telecommunications service or
15 mobile telecommunications service are in this State if the
16 customer's service address is in this State.

17 (i) For purposes of this subparagraph (B-5), the
18 following terms have the following meanings:

19 "Ancillary services" means services that are
20 associated with or incidental to the provision of
21 "telecommunications services", including but not
22 limited to "detailed telecommunications billing",
23 "directory assistance", "vertical service", and "voice
24 mail services".

25 "Air-to-Ground Radiotelephone service" means a
26 radio service, as that term is defined in 47 CFR 22.99,

1 in which common carriers are authorized to offer and
2 provide radio telecommunications service for hire to
3 subscribers in aircraft.

4 "Call-by-call Basis" means any method of charging
5 for telecommunications services where the price is
6 measured by individual calls.

7 "Communications Channel" means a physical or
8 virtual path of communications over which signals are
9 transmitted between or among customer channel
10 termination points.

11 "Conference bridging service" means an "ancillary
12 service" that links two or more participants of an
13 audio or video conference call and may include the
14 provision of a telephone number. "Conference bridging
15 service" does not include the "telecommunications
16 services" used to reach the conference bridge.

17 "Customer Channel Termination Point" means the
18 location where the customer either inputs or receives
19 the communications.

20 "Detailed telecommunications billing service"
21 means an "ancillary service" of separately stating
22 information pertaining to individual calls on a
23 customer's billing statement.

24 "Directory assistance" means an "ancillary
25 service" of providing telephone number information,
26 and/or address information.

1 "Home service provider" means the facilities based
2 carrier or reseller with which the customer contracts
3 for the provision of mobile telecommunications
4 services.

5 "Mobile telecommunications service" means
6 commercial mobile radio service, as defined in Section
7 20.3 of Title 47 of the Code of Federal Regulations as
8 in effect on June 1, 1999.

9 "Place of primary use" means the street address
10 representative of where the customer's use of the
11 telecommunications service primarily occurs, which
12 must be the residential street address or the primary
13 business street address of the customer. In the case of
14 mobile telecommunications services, "place of primary
15 use" must be within the licensed service area of the
16 home service provider.

17 "Post-paid telecommunication service" means the
18 telecommunications service obtained by making a
19 payment on a call-by-call basis either through the use
20 of a credit card or payment mechanism such as a bank
21 card, travel card, credit card, or debit card, or by
22 charge made to a telephone number which is not
23 associated with the origination or termination of the
24 telecommunications service. A post-paid calling
25 service includes telecommunications service, except a
26 prepaid wireless calling service, that would be a

1 prepaid calling service except it is not exclusively a
2 telecommunication service.

3 "Prepaid telecommunication service" means the
4 right to access exclusively telecommunications
5 services, which must be paid for in advance and which
6 enables the origination of calls using an access number
7 or authorization code, whether manually or
8 electronically dialed, and that is sold in
9 predetermined units or dollars of which the number
10 declines with use in a known amount.

11 "Prepaid Mobile telecommunication service" means a
12 telecommunications service that provides the right to
13 utilize mobile wireless service as well as other
14 non-telecommunication services, including but not
15 limited to ancillary services, which must be paid for
16 in advance that is sold in predetermined units or
17 dollars of which the number declines with use in a
18 known amount.

19 "Private communication service" means a
20 telecommunication service that entitles the customer
21 to exclusive or priority use of a communications
22 channel or group of channels between or among
23 termination points, regardless of the manner in which
24 such channel or channels are connected, and includes
25 switching capacity, extension lines, stations, and any
26 other associated services that are provided in

1 connection with the use of such channel or channels.

2 "Service address" means:

3 (a) The location of the telecommunications
4 equipment to which a customer's call is charged and
5 from which the call originates or terminates,
6 regardless of where the call is billed or paid;

7 (b) If the location in line (a) is not known,
8 service address means the origination point of the
9 signal of the telecommunications services first
10 identified by either the seller's
11 telecommunications system or in information
12 received by the seller from its service provider
13 where the system used to transport such signals is
14 not that of the seller; and

15 (c) If the locations in line (a) and line (b)
16 are not known, the service address means the
17 location of the customer's place of primary use.

18 "Telecommunications service" means the electronic
19 transmission, conveyance, or routing of voice, data,
20 audio, video, or any other information or signals to a
21 point, or between or among points. The term
22 "telecommunications service" includes such
23 transmission, conveyance, or routing in which computer
24 processing applications are used to act on the form,
25 code or protocol of the content for purposes of
26 transmission, conveyance or routing without regard to

1 whether such service is referred to as voice over
2 Internet protocol services or is classified by the
3 Federal Communications Commission as enhanced or value
4 added. "Telecommunications service" does not include:

5 (a) Data processing and information services
6 that allow data to be generated, acquired, stored,
7 processed, or retrieved and delivered by an
8 electronic transmission to a purchaser when such
9 purchaser's primary purpose for the underlying
10 transaction is the processed data or information;

11 (b) Installation or maintenance of wiring or
12 equipment on a customer's premises;

13 (c) Tangible personal property;

14 (d) Advertising, including but not limited to
15 directory advertising.

16 (e) Billing and collection services provided
17 to third parties;

18 (f) Internet access service;

19 (g) Radio and television audio and video
20 programming services, regardless of the medium,
21 including the furnishing of transmission,
22 conveyance and routing of such services by the
23 programming service provider. Radio and television
24 audio and video programming services shall include
25 but not be limited to cable service as defined in
26 47 USC 522(6) and audio and video programming

1 services delivered by commercial mobile radio
2 service providers, as defined in 47 CFR 20.3;

3 (h) "Ancillary services"; or

4 (i) Digital products "delivered
5 electronically", including but not limited to
6 software, music, video, reading materials or ring
7 tones.

8 "Vertical service" means an "ancillary service"
9 that is offered in connection with one or more
10 "telecommunications services", which offers advanced
11 calling features that allow customers to identify
12 callers and to manage multiple calls and call
13 connections, including "conference bridging services".

14 "Voice mail service" means an "ancillary service"
15 that enables the customer to store, send or receive
16 recorded messages. "Voice mail service" does not
17 include any "vertical services" that the customer may
18 be required to have in order to utilize the "voice mail
19 service".

20 (ii) Receipts from the sale of telecommunications
21 service sold on an individual call-by-call basis are in
22 this State if either of the following applies:

23 (a) The call both originates and terminates in
24 this State.

25 (b) The call either originates or terminates
26 in this State and the service address is located in

1 this State.

2 (iii) Receipts from the sale of postpaid
3 telecommunications service at retail are in this State
4 if the origination point of the telecommunication
5 signal, as first identified by the service provider's
6 telecommunication system or as identified by
7 information received by the seller from its service
8 provider if the system used to transport
9 telecommunication signals is not the seller's, is
10 located in this State.

11 (iv) Receipts from the sale of prepaid
12 telecommunications service or prepaid mobile
13 telecommunications service at retail are in this State
14 if the purchaser obtains the prepaid card or similar
15 means of conveyance at a location in this State.
16 Receipts from recharging a prepaid telecommunications
17 service or mobile telecommunications service is in
18 this State if the purchaser's billing information
19 indicates a location in this State.

20 (v) Receipts from the sale of private
21 communication services are in this State as follows:

22 (a) 100% of receipts from charges imposed at
23 each channel termination point in this State.

24 (b) 100% of receipts from charges for the total
25 channel mileage between each channel termination
26 point in this State.

1 (c) 50% of the total receipts from charges for
2 service segments when those segments are between 2
3 customer channel termination points, 1 of which is
4 located in this State and the other is located
5 outside of this State, which segments are
6 separately charged.

7 (d) The receipts from charges for service
8 segments with a channel termination point located
9 in this State and in two or more other states, and
10 which segments are not separately billed, are in
11 this State based on a percentage determined by
12 dividing the number of customer channel
13 termination points in this State by the total
14 number of customer channel termination points.

15 (vi) Receipts from charges for ancillary services
16 for telecommunications service sold to customers at
17 retail are in this State if the customer's primary
18 place of use of telecommunications services associated
19 with those ancillary services is in this State. If the
20 seller of those ancillary services cannot determine
21 where the associated telecommunications are located,
22 then the ancillary services shall be based on the
23 location of the purchaser.

24 (vii) Receipts to access a carrier's network or
25 from the sale of telecommunication services or
26 ancillary services for resale are in this State as

1 follows:

2 (a) 100% of the receipts from access fees
3 attributable to intrastate telecommunications
4 service that both originates and terminates in
5 this State.

6 (b) 50% of the receipts from access fees
7 attributable to interstate telecommunications
8 service if the interstate call either originates
9 or terminates in this State.

10 (c) 100% of the receipts from interstate end
11 user access line charges, if the customer's
12 service address is in this State. As used in this
13 subdivision, "interstate end user access line
14 charges" includes, but is not limited to, the
15 surcharge approved by the federal communications
16 commission and levied pursuant to 47 CFR 69.

17 (d) Gross receipts from sales of
18 telecommunication services or from ancillary
19 services for telecommunications services sold to
20 other telecommunication service providers for
21 resale shall be sourced to this State using the
22 apportionment concepts used for non-resale
23 receipts of telecommunications services if the
24 information is readily available to make that
25 determination. If the information is not readily
26 available, then the taxpayer may use any other

1 reasonable and consistent method.

2 (B-7) For taxable years ending on or after December 31,
3 2008, receipts from the sale of broadcasting services are
4 in this State if the broadcasting services are received in
5 this State. For purposes of this paragraph (B-7), the
6 following terms have the following meanings:

7 "Advertising revenue" means consideration received
8 by the taxpayer in exchange for broadcasting services
9 or allowing the broadcasting of commercials or
10 announcements in connection with the broadcasting of
11 film or radio programming, from sponsorships of the
12 programming, or from product placements in the
13 programming.

14 "Audience factor" means the ratio that the
15 audience or subscribers located in this State of a
16 station, a network, or a cable system bears to the
17 total audience or total subscribers for that station,
18 network, or cable system. The audience factor for film
19 or radio programming shall be determined by reference
20 to the books and records of the taxpayer or by
21 reference to published rating statistics provided the
22 method used by the taxpayer is consistently used from
23 year to year for this purpose and fairly represents the
24 taxpayer's activity in this State.

25 "Broadcast" or "broadcasting" or "broadcasting
26 services" means the transmission or provision of film

1 or radio programming, whether through the public
2 airwaves, by cable, by direct or indirect satellite
3 transmission, or by any other means of communication,
4 either through a station, a network, or a cable system.

5 "Film" or "film programming" means the broadcast
6 on television of any and all performances, events, or
7 productions, including but not limited to news,
8 sporting events, plays, stories, or other literary,
9 commercial, educational, or artistic works, either
10 live or through the use of video tape, disc, or any
11 other type of format or medium. Each episode of a
12 series of films produced for television shall
13 constitute separate "film" notwithstanding that the
14 series relates to the same principal subject and is
15 produced during one or more tax periods.

16 "Radio" or "radio programming" means the broadcast
17 on radio of any and all performances, events, or
18 productions, including but not limited to news,
19 sporting events, plays, stories, or other literary,
20 commercial, educational, or artistic works, either
21 live or through the use of an audio tape, disc, or any
22 other format or medium. Each episode in a series of
23 radio programming produced for radio broadcast shall
24 constitute a separate "radio programming"
25 notwithstanding that the series relates to the same
26 principal subject and is produced during one or more

1 tax periods.

2 (i) In the case of advertising revenue from
3 broadcasting, the customer is the advertiser and
4 the service is received in this State if the
5 commercial domicile of the advertiser is in this
6 State.

7 (ii) In the case where film or radio
8 programming is broadcast by a station, a network,
9 or a cable system for a fee or other remuneration
10 received from the recipient of the broadcast, the
11 portion of the service that is received in this
12 State is measured by the portion of the recipients
13 of the broadcast located in this State.
14 Accordingly, the fee or other remuneration for
15 such service that is included in the Illinois
16 numerator of the sales factor is the total of those
17 fees or other remuneration received from
18 recipients in Illinois. For purposes of this
19 paragraph, a taxpayer may determine the location
20 of the recipients of its broadcast using the
21 address of the recipient shown in its contracts
22 with the recipient or using the billing address of
23 the recipient in the taxpayer's records.

24 (iii) In the case where film or radio
25 programming is broadcast by a station, a network,
26 or a cable system for a fee or other remuneration

1 from the person providing the programming, the
2 portion of the broadcast service that is received
3 by such station, network, or cable system in this
4 State is measured by the portion of recipients of
5 the broadcast located in this State. Accordingly,
6 the amount of revenue related to such an
7 arrangement that is included in the Illinois
8 numerator of the sales factor is the total fee or
9 other total remuneration from the person providing
10 the programming related to that broadcast
11 multiplied by the Illinois audience factor for
12 that broadcast.

13 (iv) In the case where film or radio
14 programming is provided by a taxpayer that is a
15 network or station to a customer for broadcast in
16 exchange for a fee or other remuneration from that
17 customer the broadcasting service is received at
18 the location of the office of the customer from
19 which the services were ordered in the regular
20 course of the customer's trade or business.
21 Accordingly, in such a case the revenue derived by
22 the taxpayer that is included in the taxpayer's
23 Illinois numerator of the sales factor is the
24 revenue from such customers who receive the
25 broadcasting service in Illinois.

26 (v) In the case where film or radio programming

1 is provided by a taxpayer that is not a network or
2 station to another person for broadcasting in
3 exchange for a fee or other remuneration from that
4 person, the broadcasting service is received at
5 the location of the office of the customer from
6 which the services were ordered in the regular
7 course of the customer's trade or business.
8 Accordingly, in such a case the revenue derived by
9 the taxpayer that is included in the taxpayer's
10 Illinois numerator of the sales factor is the
11 revenue from such customers who receive the
12 broadcasting service in Illinois.

13 (B-8) For taxable years ending on or after December 31,
14 2013, gross receipts from winnings from pari-mutuel
15 wagering conducted at a wagering facility licensed under
16 the Illinois Horse Racing Act of 1975 or from winnings from
17 gambling games conducted on a riverboat or in a casino or
18 electronic gaming facility licensed under the Illinois
19 Gambling Act are in this State.

20 (C) For taxable years ending before December 31, 2008,
21 sales, other than sales governed by paragraphs (B), (B-1),
22 and (B-2), are in this State if:

23 (i) The income-producing activity is performed in
24 this State; or

25 (ii) The income-producing activity is performed
26 both within and without this State and a greater

1 proportion of the income-producing activity is
2 performed within this State than without this State,
3 based on performance costs.

4 (C-5) For taxable years ending on or after December 31,
5 2008, sales, other than sales governed by paragraphs (B),
6 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
7 the following criteria are met:

8 (i) Sales from the sale or lease of real property
9 are in this State if the property is located in this
10 State.

11 (ii) Sales from the lease or rental of tangible
12 personal property are in this State if the property is
13 located in this State during the rental period. Sales
14 from the lease or rental of tangible personal property
15 that is characteristically moving property, including,
16 but not limited to, motor vehicles, rolling stock,
17 aircraft, vessels, or mobile equipment are in this
18 State to the extent that the property is used in this
19 State.

20 (iii) In the case of interest, net gains (but not
21 less than zero) and other items of income from
22 intangible personal property, the sale is in this State
23 if:

24 (a) in the case of a taxpayer who is a dealer
25 in the item of intangible personal property within
26 the meaning of Section 475 of the Internal Revenue

1 Code, the income or gain is received from a
2 customer in this State. For purposes of this
3 subparagraph, a customer is in this State if the
4 customer is an individual, trust or estate who is a
5 resident of this State and, for all other
6 customers, if the customer's commercial domicile
7 is in this State. Unless the dealer has actual
8 knowledge of the residence or commercial domicile
9 of a customer during a taxable year, the customer
10 shall be deemed to be a customer in this State if
11 the billing address of the customer, as shown in
12 the records of the dealer, is in this State; or

13 (b) in all other cases, if the
14 income-producing activity of the taxpayer is
15 performed in this State or, if the
16 income-producing activity of the taxpayer is
17 performed both within and without this State, if a
18 greater proportion of the income-producing
19 activity of the taxpayer is performed within this
20 State than in any other state, based on performance
21 costs.

22 (iv) Sales of services are in this State if the
23 services are received in this State. For the purposes
24 of this section, gross receipts from the performance of
25 services provided to a corporation, partnership, or
26 trust may only be attributed to a state where that

1 corporation, partnership, or trust has a fixed place of
2 business. If the state where the services are received
3 is not readily determinable or is a state where the
4 corporation, partnership, or trust receiving the
5 service does not have a fixed place of business, the
6 services shall be deemed to be received at the location
7 of the office of the customer from which the services
8 were ordered in the regular course of the customer's
9 trade or business. If the ordering office cannot be
10 determined, the services shall be deemed to be received
11 at the office of the customer to which the services are
12 billed. If the taxpayer is not taxable in the state in
13 which the services are received, the sale must be
14 excluded from both the numerator and the denominator of
15 the sales factor. The Department shall adopt rules
16 prescribing where specific types of service are
17 received, including, but not limited to, publishing,
18 and utility service.

19 (D) For taxable years ending on or after December 31,
20 1995, the following items of income shall not be included
21 in the numerator or denominator of the sales factor:
22 dividends; amounts included under Section 78 of the
23 Internal Revenue Code; and Subpart F income as defined in
24 Section 952 of the Internal Revenue Code. No inference
25 shall be drawn from the enactment of this paragraph (D) in
26 construing this Section for taxable years ending before

1 December 31, 1995.

2 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
3 ending on or after December 31, 1999, provided that a
4 taxpayer may elect to apply the provisions of these
5 paragraphs to prior tax years. Such election shall be made
6 in the form and manner prescribed by the Department, shall
7 be irrevocable, and shall apply to all tax years; provided
8 that, if a taxpayer's Illinois income tax liability for any
9 tax year, as assessed under Section 903 prior to January 1,
10 1999, was computed in a manner contrary to the provisions
11 of paragraphs (B-1) or (B-2), no refund shall be payable to
12 the taxpayer for that tax year to the extent such refund is
13 the result of applying the provisions of paragraph (B-1) or
14 (B-2) retroactively. In the case of a unitary business
15 group, such election shall apply to all members of such
16 group for every tax year such group is in existence, but
17 shall not apply to any taxpayer for any period during which
18 that taxpayer is not a member of such group.

19 (b) Insurance companies.

20 (1) In general. Except as otherwise provided by
21 paragraph (2), business income of an insurance company for
22 a taxable year shall be apportioned to this State by
23 multiplying such income by a fraction, the numerator of
24 which is the direct premiums written for insurance upon
25 property or risk in this State, and the denominator of
26 which is the direct premiums written for insurance upon

1 property or risk everywhere. For purposes of this
2 subsection, the term "direct premiums written" means the
3 total amount of direct premiums written, assessments and
4 annuity considerations as reported for the taxable year on
5 the annual statement filed by the company with the Illinois
6 Director of Insurance in the form approved by the National
7 Convention of Insurance Commissioners or such other form as
8 may be prescribed in lieu thereof.

9 (2) Reinsurance. If the principal source of premiums
10 written by an insurance company consists of premiums for
11 reinsurance accepted by it, the business income of such
12 company shall be apportioned to this State by multiplying
13 such income by a fraction, the numerator of which is the
14 sum of (i) direct premiums written for insurance upon
15 property or risk in this State, plus (ii) premiums written
16 for reinsurance accepted in respect of property or risk in
17 this State, and the denominator of which is the sum of
18 (iii) direct premiums written for insurance upon property
19 or risk everywhere, plus (iv) premiums written for
20 reinsurance accepted in respect of property or risk
21 everywhere. For purposes of this paragraph, premiums
22 written for reinsurance accepted in respect of property or
23 risk in this State, whether or not otherwise determinable,
24 may, at the election of the company, be determined on the
25 basis of the proportion which premiums written for
26 reinsurance accepted from companies commercially domiciled

1 in Illinois bears to premiums written for reinsurance
2 accepted from all sources, or, alternatively, in the
3 proportion which the sum of the direct premiums written for
4 insurance upon property or risk in this State by each
5 ceding company from which reinsurance is accepted bears to
6 the sum of the total direct premiums written by each such
7 ceding company for the taxable year. The election made by a
8 company under this paragraph for its first taxable year
9 ending on or after December 31, 2011, shall be binding for
10 that company for that taxable year and for all subsequent
11 taxable years, and may be altered only with the written
12 permission of the Department, which shall not be
13 unreasonably withheld.

14 (c) Financial organizations.

15 (1) In general. For taxable years ending before
16 December 31, 2008, business income of a financial
17 organization shall be apportioned to this State by
18 multiplying such income by a fraction, the numerator of
19 which is its business income from sources within this
20 State, and the denominator of which is its business income
21 from all sources. For the purposes of this subsection, the
22 business income of a financial organization from sources
23 within this State is the sum of the amounts referred to in
24 subparagraphs (A) through (E) following, but excluding the
25 adjusted income of an international banking facility as
26 determined in paragraph (2):

1 (A) Fees, commissions or other compensation for
2 financial services rendered within this State;

3 (B) Gross profits from trading in stocks, bonds or
4 other securities managed within this State;

5 (C) Dividends, and interest from Illinois
6 customers, which are received within this State;

7 (D) Interest charged to customers at places of
8 business maintained within this State for carrying
9 debit balances of margin accounts, without deduction
10 of any costs incurred in carrying such accounts; and

11 (E) Any other gross income resulting from the
12 operation as a financial organization within this
13 State. In computing the amounts referred to in
14 paragraphs (A) through (E) of this subsection, any
15 amount received by a member of an affiliated group
16 (determined under Section 1504(a) of the Internal
17 Revenue Code but without reference to whether any such
18 corporation is an "includible corporation" under
19 Section 1504(b) of the Internal Revenue Code) from
20 another member of such group shall be included only to
21 the extent such amount exceeds expenses of the
22 recipient directly related thereto.

23 (2) International Banking Facility. For taxable years
24 ending before December 31, 2008:

25 (A) Adjusted Income. The adjusted income of an
26 international banking facility is its income reduced

1 by the amount of the floor amount.

2 (B) Floor Amount. The floor amount shall be the
3 amount, if any, determined by multiplying the income of
4 the international banking facility by a fraction, not
5 greater than one, which is determined as follows:

6 (i) The numerator shall be:

7 The average aggregate, determined on a
8 quarterly basis, of the financial organization's
9 loans to banks in foreign countries, to foreign
10 domiciled borrowers (except where secured
11 primarily by real estate) and to foreign
12 governments and other foreign official
13 institutions, as reported for its branches,
14 agencies and offices within the state on its
15 "Consolidated Report of Condition", Schedule A,
16 Lines 2.c., 5.b., and 7.a., which was filed with
17 the Federal Deposit Insurance Corporation and
18 other regulatory authorities, for the year 1980,
19 minus

20 The average aggregate, determined on a
21 quarterly basis, of such loans (other than loans of
22 an international banking facility), as reported by
23 the financial institution for its branches,
24 agencies and offices within the state, on the
25 corresponding Schedule and lines of the
26 Consolidated Report of Condition for the current

1 taxable year, provided, however, that in no case
2 shall the amount determined in this clause (the
3 subtrahend) exceed the amount determined in the
4 preceding clause (the minuend); and

5 (ii) the denominator shall be the average
6 aggregate, determined on a quarterly basis, of the
7 international banking facility's loans to banks in
8 foreign countries, to foreign domiciled borrowers
9 (except where secured primarily by real estate)
10 and to foreign governments and other foreign
11 official institutions, which were recorded in its
12 financial accounts for the current taxable year.

13 (C) Change to Consolidated Report of Condition and
14 in Qualification. In the event the Consolidated Report
15 of Condition which is filed with the Federal Deposit
16 Insurance Corporation and other regulatory authorities
17 is altered so that the information required for
18 determining the floor amount is not found on Schedule
19 A, lines 2.c., 5.b. and 7.a., the financial institution
20 shall notify the Department and the Department may, by
21 regulations or otherwise, prescribe or authorize the
22 use of an alternative source for such information. The
23 financial institution shall also notify the Department
24 should its international banking facility fail to
25 qualify as such, in whole or in part, or should there
26 be any amendment or change to the Consolidated Report

1 of Condition, as originally filed, to the extent such
2 amendment or change alters the information used in
3 determining the floor amount.

4 (3) For taxable years ending on or after December 31,
5 2008, the business income of a financial organization shall
6 be apportioned to this State by multiplying such income by
7 a fraction, the numerator of which is its gross receipts
8 from sources in this State or otherwise attributable to
9 this State's marketplace and the denominator of which is
10 its gross receipts everywhere during the taxable year.
11 "Gross receipts" for purposes of this subparagraph (3)
12 means gross income, including net taxable gain on
13 disposition of assets, including securities and money
14 market instruments, when derived from transactions and
15 activities in the regular course of the financial
16 organization's trade or business. The following examples
17 are illustrative:

18 (i) Receipts from the lease or rental of real or
19 tangible personal property are in this State if the
20 property is located in this State during the rental
21 period. Receipts from the lease or rental of tangible
22 personal property that is characteristically moving
23 property, including, but not limited to, motor
24 vehicles, rolling stock, aircraft, vessels, or mobile
25 equipment are from sources in this State to the extent
26 that the property is used in this State.

1 (ii) Interest income, commissions, fees, gains on
2 disposition, and other receipts from assets in the
3 nature of loans that are secured primarily by real
4 estate or tangible personal property are from sources
5 in this State if the security is located in this State.

6 (iii) Interest income, commissions, fees, gains on
7 disposition, and other receipts from consumer loans
8 that are not secured by real or tangible personal
9 property are from sources in this State if the debtor
10 is a resident of this State.

11 (iv) Interest income, commissions, fees, gains on
12 disposition, and other receipts from commercial loans
13 and installment obligations that are not secured by
14 real or tangible personal property are from sources in
15 this State if the proceeds of the loan are to be
16 applied in this State. If it cannot be determined where
17 the funds are to be applied, the income and receipts
18 are from sources in this State if the office of the
19 borrower from which the loan was negotiated in the
20 regular course of business is located in this State. If
21 the location of this office cannot be determined, the
22 income and receipts shall be excluded from the
23 numerator and denominator of the sales factor.

24 (v) Interest income, fees, gains on disposition,
25 service charges, merchant discount income, and other
26 receipts from credit card receivables are from sources

1 in this State if the card charges are regularly billed
2 to a customer in this State.

3 (vi) Receipts from the performance of services,
4 including, but not limited to, fiduciary, advisory,
5 and brokerage services, are in this State if the
6 services are received in this State within the meaning
7 of subparagraph (a) (3) (C-5) (iv) of this Section.

8 (vii) Receipts from the issuance of travelers
9 checks and money orders are from sources in this State
10 if the checks and money orders are issued from a
11 location within this State.

12 (viii) Receipts from investment assets and
13 activities and trading assets and activities are
14 included in the receipts factor as follows:

15 (1) Interest, dividends, net gains (but not
16 less than zero) and other income from investment
17 assets and activities from trading assets and
18 activities shall be included in the receipts
19 factor. Investment assets and activities and
20 trading assets and activities include but are not
21 limited to: investment securities; trading account
22 assets; federal funds; securities purchased and
23 sold under agreements to resell or repurchase;
24 options; futures contracts; forward contracts;
25 notional principal contracts such as swaps;
26 equities; and foreign currency transactions. With

1 respect to the investment and trading assets and
2 activities described in subparagraphs (A) and (B)
3 of this paragraph, the receipts factor shall
4 include the amounts described in such
5 subparagraphs.

6 (A) The receipts factor shall include the
7 amount by which interest from federal funds
8 sold and securities purchased under resale
9 agreements exceeds interest expense on federal
10 funds purchased and securities sold under
11 repurchase agreements.

12 (B) The receipts factor shall include the
13 amount by which interest, dividends, gains and
14 other income from trading assets and
15 activities, including but not limited to
16 assets and activities in the matched book, in
17 the arbitrage book, and foreign currency
18 transactions, exceed amounts paid in lieu of
19 interest, amounts paid in lieu of dividends,
20 and losses from such assets and activities.

21 (2) The numerator of the receipts factor
22 includes interest, dividends, net gains (but not
23 less than zero), and other income from investment
24 assets and activities and from trading assets and
25 activities described in paragraph (1) of this
26 subsection that are attributable to this State.

1 (A) The amount of interest, dividends, net
2 gains (but not less than zero), and other
3 income from investment assets and activities
4 in the investment account to be attributed to
5 this State and included in the numerator is
6 determined by multiplying all such income from
7 such assets and activities by a fraction, the
8 numerator of which is the gross income from
9 such assets and activities which are properly
10 assigned to a fixed place of business of the
11 taxpayer within this State and the denominator
12 of which is the gross income from all such
13 assets and activities.

14 (B) The amount of interest from federal
15 funds sold and purchased and from securities
16 purchased under resale agreements and
17 securities sold under repurchase agreements
18 attributable to this State and included in the
19 numerator is determined by multiplying the
20 amount described in subparagraph (A) of
21 paragraph (1) of this subsection from such
22 funds and such securities by a fraction, the
23 numerator of which is the gross income from
24 such funds and such securities which are
25 properly assigned to a fixed place of business
26 of the taxpayer within this State and the

1 denominator of which is the gross income from
2 all such funds and such securities.

3 (C) The amount of interest, dividends,
4 gains, and other income from trading assets and
5 activities, including but not limited to
6 assets and activities in the matched book, in
7 the arbitrage book and foreign currency
8 transactions (but excluding amounts described
9 in subparagraphs (A) or (B) of this paragraph),
10 attributable to this State and included in the
11 numerator is determined by multiplying the
12 amount described in subparagraph (B) of
13 paragraph (1) of this subsection by a fraction,
14 the numerator of which is the gross income from
15 such trading assets and activities which are
16 properly assigned to a fixed place of business
17 of the taxpayer within this State and the
18 denominator of which is the gross income from
19 all such assets and activities.

20 (D) Properly assigned, for purposes of
21 this paragraph (2) of this subsection, means
22 the investment or trading asset or activity is
23 assigned to the fixed place of business with
24 which it has a preponderance of substantive
25 contacts. An investment or trading asset or
26 activity assigned by the taxpayer to a fixed

1 place of business without the State shall be
2 presumed to have been properly assigned if:

3 (i) the taxpayer has assigned, in the
4 regular course of its business, such asset
5 or activity on its records to a fixed place
6 of business consistent with federal or
7 state regulatory requirements;

8 (ii) such assignment on its records is
9 based upon substantive contacts of the
10 asset or activity to such fixed place of
11 business; and

12 (iii) the taxpayer uses such records
13 reflecting assignment of such assets or
14 activities for the filing of all state and
15 local tax returns for which an assignment
16 of such assets or activities to a fixed
17 place of business is required.

18 (E) The presumption of proper assignment
19 of an investment or trading asset or activity
20 provided in subparagraph (D) of paragraph (2)
21 of this subsection may be rebutted upon a
22 showing by the Department, supported by a
23 preponderance of the evidence, that the
24 preponderance of substantive contacts
25 regarding such asset or activity did not occur
26 at the fixed place of business to which it was

1 assigned on the taxpayer's records. If the
2 fixed place of business that has a
3 preponderance of substantive contacts cannot
4 be determined for an investment or trading
5 asset or activity to which the presumption in
6 subparagraph (D) of paragraph (2) of this
7 subsection does not apply or with respect to
8 which that presumption has been rebutted, that
9 asset or activity is properly assigned to the
10 state in which the taxpayer's commercial
11 domicile is located. For purposes of this
12 subparagraph (E), it shall be presumed,
13 subject to rebuttal, that taxpayer's
14 commercial domicile is in the state of the
15 United States or the District of Columbia to
16 which the greatest number of employees are
17 regularly connected with the management of the
18 investment or trading income or out of which
19 they are working, irrespective of where the
20 services of such employees are performed, as of
21 the last day of the taxable year.

22 (4) (Blank).

23 (5) (Blank).

24 (c-1) Federally regulated exchanges. For taxable years
25 ending on or after December 31, 2012, business income of a
26 federally regulated exchange shall, at the option of the

1 federally regulated exchange, be apportioned to this State by
2 multiplying such income by a fraction, the numerator of which
3 is its business income from sources within this State, and the
4 denominator of which is its business income from all sources.
5 For purposes of this subsection, the business income within
6 this State of a federally regulated exchange is the sum of the
7 following:

8 (1) Receipts attributable to transactions executed on
9 a physical trading floor if that physical trading floor is
10 located in this State.

11 (2) Receipts attributable to all other matching,
12 execution, or clearing transactions, including without
13 limitation receipts from the provision of matching,
14 execution, or clearing services to another entity,
15 multiplied by (i) for taxable years ending on or after
16 December 31, 2012 but before December 31, 2013, 63.77%; and
17 (ii) for taxable years ending on or after December 31,
18 2013, 27.54%.

19 (3) All other receipts not governed by subparagraphs
20 (1) or (2) of this subsection (c-1), to the extent the
21 receipts would be characterized as "sales in this State"
22 under item (3) of subsection (a) of this Section.

23 "Federally regulated exchange" means (i) a "registered
24 entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B),
25 or (C), (ii) an "exchange" or "clearing agency" within the
26 meaning of 15 U.S.C. Section 78c (a)(1) or (23), (iii) any such

1 entities regulated under any successor regulatory structure to
2 the foregoing, and (iv) all taxpayers who are members of the
3 same unitary business group as a federally regulated exchange,
4 determined without regard to the prohibition in Section
5 1501(a)(27) of this Act against including in a unitary business
6 group taxpayers who are ordinarily required to apportion
7 business income under different subsections of this Section;
8 provided that this subparagraph (iv) shall apply only if 50% or
9 more of the business receipts of the unitary business group
10 determined by application of this subparagraph (iv) for the
11 taxable year are attributable to the matching, execution, or
12 clearing of transactions conducted by an entity described in
13 subparagraph (i), (ii), or (iii) of this paragraph.

14 In no event shall the Illinois apportionment percentage
15 computed in accordance with this subsection (c-1) for any
16 taxpayer for any tax year be less than the Illinois
17 apportionment percentage computed under this subsection (c-1)
18 for that taxpayer for the first full tax year ending on or
19 after December 31, 2013 for which this subsection (c-1) applied
20 to the taxpayer.

21 (d) Transportation services. For taxable years ending
22 before December 31, 2008, business income derived from
23 furnishing transportation services shall be apportioned to
24 this State in accordance with paragraphs (1) and (2):

25 (1) Such business income (other than that derived from
26 transportation by pipeline) shall be apportioned to this

1 State by multiplying such income by a fraction, the
2 numerator of which is the revenue miles of the person in
3 this State, and the denominator of which is the revenue
4 miles of the person everywhere. For purposes of this
5 paragraph, a revenue mile is the transportation of 1
6 passenger or 1 net ton of freight the distance of 1 mile
7 for a consideration. Where a person is engaged in the
8 transportation of both passengers and freight, the
9 fraction above referred to shall be determined by means of
10 an average of the passenger revenue mile fraction and the
11 freight revenue mile fraction, weighted to reflect the
12 person's

13 (A) relative railway operating income from total
14 passenger and total freight service, as reported to the
15 Interstate Commerce Commission, in the case of
16 transportation by railroad, and

17 (B) relative gross receipts from passenger and
18 freight transportation, in case of transportation
19 other than by railroad.

20 (2) Such business income derived from transportation
21 by pipeline shall be apportioned to this State by
22 multiplying such income by a fraction, the numerator of
23 which is the revenue miles of the person in this State, and
24 the denominator of which is the revenue miles of the person
25 everywhere. For the purposes of this paragraph, a revenue
26 mile is the transportation by pipeline of 1 barrel of oil,

1 1,000 cubic feet of gas, or of any specified quantity of
2 any other substance, the distance of 1 mile for a
3 consideration.

4 (3) For taxable years ending on or after December 31,
5 2008, business income derived from providing
6 transportation services other than airline services shall
7 be apportioned to this State by using a fraction, (a) the
8 numerator of which shall be (i) all receipts from any
9 movement or shipment of people, goods, mail, oil, gas, or
10 any other substance (other than by airline) that both
11 originates and terminates in this State, plus (ii) that
12 portion of the person's gross receipts from movements or
13 shipments of people, goods, mail, oil, gas, or any other
14 substance (other than by airline) that originates in one
15 state or jurisdiction and terminates in another state or
16 jurisdiction, that is determined by the ratio that the
17 miles traveled in this State bears to total miles
18 everywhere and (b) the denominator of which shall be all
19 revenue derived from the movement or shipment of people,
20 goods, mail, oil, gas, or any other substance (other than
21 by airline). Where a taxpayer is engaged in the
22 transportation of both passengers and freight, the
23 fraction above referred to shall first be determined
24 separately for passenger miles and freight miles. Then an
25 average of the passenger miles fraction and the freight
26 miles fraction shall be weighted to reflect the taxpayer's:

1 (A) relative railway operating income from total
2 passenger and total freight service, as reported to the
3 Surface Transportation Board, in the case of
4 transportation by railroad; and

5 (B) relative gross receipts from passenger and
6 freight transportation, in case of transportation
7 other than by railroad.

8 (4) For taxable years ending on or after December 31,
9 2008, business income derived from furnishing airline
10 transportation services shall be apportioned to this State
11 by multiplying such income by a fraction, the numerator of
12 which is the revenue miles of the person in this State, and
13 the denominator of which is the revenue miles of the person
14 everywhere. For purposes of this paragraph, a revenue mile
15 is the transportation of one passenger or one net ton of
16 freight the distance of one mile for a consideration. If a
17 person is engaged in the transportation of both passengers
18 and freight, the fraction above referred to shall be
19 determined by means of an average of the passenger revenue
20 mile fraction and the freight revenue mile fraction,
21 weighted to reflect the person's relative gross receipts
22 from passenger and freight airline transportation.

23 (e) Combined apportionment. Where 2 or more persons are
24 engaged in a unitary business as described in subsection
25 (a) (27) of Section 1501, a part of which is conducted in this
26 State by one or more members of the group, the business income

1 attributable to this State by any such member or members shall
2 be apportioned by means of the combined apportionment method.

3 (f) Alternative allocation. If the allocation and
4 apportionment provisions of subsections (a) through (e) and of
5 subsection (h) do not fairly represent the extent of a person's
6 business activity in this State, the person may petition for,
7 or the Director may, without a petition, permit or require, in
8 respect of all or any part of the person's business activity,
9 if reasonable:

10 (1) Separate accounting;

11 (2) The exclusion of any one or more factors;

12 (3) The inclusion of one or more additional factors
13 which will fairly represent the person's business
14 activities in this State; or

15 (4) The employment of any other method to effectuate an
16 equitable allocation and apportionment of the person's
17 business income.

18 (g) Cross reference. For allocation of business income by
19 residents, see Section 301(a).

20 (h) For tax years ending on or after December 31, 1998, the
21 apportionment factor of persons who apportion their business
22 income to this State under subsection (a) shall be equal to:

23 (1) for tax years ending on or after December 31, 1998
24 and before December 31, 1999, $16 \frac{2}{3}\%$ of the property
25 factor plus $16 \frac{2}{3}\%$ of the payroll factor plus $66 \frac{2}{3}\%$ of
26 the sales factor;

1 (2) for tax years ending on or after December 31, 1999
2 and before December 31, 2000, 8 1/3% of the property factor
3 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
4 factor;

5 (3) for tax years ending on or after December 31, 2000,
6 the sales factor.

7 If, in any tax year ending on or after December 31, 1998 and
8 before December 31, 2000, the denominator of the payroll,
9 property, or sales factor is zero, the apportionment factor
10 computed in paragraph (1) or (2) of this subsection for that
11 year shall be divided by an amount equal to 100% minus the
12 percentage weight given to each factor whose denominator is
13 equal to zero.

14 (Source: P.A. 96-763, eff. 8-25-09; 97-507, eff. 8-23-11;
15 97-636, eff. 6-1-12.)

16 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

17 Sec. 710. Withholding from lottery winnings.

18 (a) In General.

19 (1) Any person making a payment to a resident or
20 nonresident of winnings under the Illinois Lottery Law and
21 not required to withhold Illinois income tax from such
22 payment under Subsection (b) of Section 701 of this Act
23 because those winnings are not subject to Federal income
24 tax withholding, must withhold Illinois income tax from
25 such payment at a rate equal to the percentage tax rate for

1 individuals provided in subsection (b) of Section 201,
2 provided that withholding is not required if such payment
3 of winnings is less than \$1,000.

4 (2) Any person making a payment after December 31, 2013
5 to a resident or nonresident of winnings from pari-mutuel
6 wagering conducted at a wagering facility licensed under
7 the Illinois Horse Racing Act of 1975 or from gambling
8 games conducted on a riverboat or in a casino or electronic
9 gaming facility licensed under the Illinois Gambling Act
10 must withhold Illinois income tax from such payment at a
11 rate equal to the percentage tax rate for individuals
12 provided in subsection (b) of Section 201, provided that
13 the person making the payment is required to withhold under
14 Section 3402(q) of the Internal Revenue Code.

15 (b) Credit for taxes withheld. Any amount withheld under
16 Subsection (a) shall be a credit against the Illinois income
17 tax liability of the person to whom the payment of winnings was
18 made for the taxable year in which that person incurred an
19 Illinois income tax liability with respect to those winnings.

20 (Source: P.A. 85-731.)

21 Section 90-23. The Property Tax Code is amended by adding
22 Section 15-144 as follows:

23 (35 ILCS 200/15-144 new)

24 Sec. 15-144. Chicago Casino Development Authority. All

1 property owned by the Chicago Casino Development Authority is
2 exempt. Any property owned by the Chicago Casino Development
3 Authority and leased to any other entity is not exempt.

4 Section 90-24. The Illinois Municipal Code is amended by
5 adding Section 8-10-2.6 as follows:

6 (65 ILCS 5/8-10-2.6 new)

7 Sec. 8-10-2.6. Chicago Casino Development Authority.
8 Except as otherwise provided in the Chicago Casino Development
9 Authority Act, this Division 10 applies to purchase orders and
10 contracts relating to the Chicago Casino Development
11 Authority.

12 Section 90-25. The Joliet Regional Port District Act is
13 amended by changing Section 5.1 as follows:

14 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

15 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
16 any other provision of this Act, the District may not regulate
17 the operation, conduct, or navigation of any riverboat gambling
18 casino licensed under the Illinois Riverboat Gambling Act, and
19 the District may not license, tax, or otherwise levy any
20 assessment of any kind on any riverboat gambling casino
21 licensed under the Illinois Riverboat Gambling Act. The General
22 Assembly declares that the powers to regulate the operation,

1 conduct, and navigation of riverboat gambling casinos and to
2 license, tax, and levy assessments upon riverboat gambling
3 casinos are exclusive powers of the State of Illinois and the
4 Illinois Gaming Board as provided in the Illinois Riverboat
5 Gambling Act.

6 (Source: P.A. 87-1175.)

7 Section 90-30. The Consumer Installment Loan Act is amended
8 by changing Section 12.5 as follows:

9 (205 ILCS 670/12.5)

10 Sec. 12.5. Limited purpose branch.

11 (a) Upon the written approval of the Director, a licensee
12 may maintain a limited purpose branch for the sole purpose of
13 making loans as permitted by this Act. A limited purpose branch
14 may include an automatic loan machine. No other activity shall
15 be conducted at the site, including but not limited to,
16 accepting payments, servicing the accounts, or collections.

17 (b) The licensee must submit an application for a limited
18 purpose branch to the Director on forms prescribed by the
19 Director with an application fee of \$300. The approval for the
20 limited purpose branch must be renewed concurrently with the
21 renewal of the licensee's license along with a renewal fee of
22 \$300 for the limited purpose branch.

23 (c) The books, accounts, records, and files of the limited
24 purpose branch's transactions shall be maintained at the

1 licensee's licensed location. The licensee shall notify the
2 Director of the licensed location at which the books, accounts,
3 records, and files shall be maintained.

4 (d) The licensee shall prominently display at the limited
5 purpose branch the address and telephone number of the
6 licensee's licensed location.

7 (e) No other business shall be conducted at the site of the
8 limited purpose branch unless authorized by the Director.

9 (f) The Director shall make and enforce reasonable rules
10 for the conduct of a limited purpose branch.

11 (g) A limited purpose branch may not be located within
12 1,000 feet of a facility operated by an inter-track wagering
13 licensee or an organization licensee subject to the Illinois
14 Horse Racing Act of 1975, on a riverboat or in a casino subject
15 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
16 the location at which the riverboat docks or within 1,000 feet
17 of a casino.

18 (Source: P.A. 90-437, eff. 1-1-98.)

19 Section 90-35. The Illinois Horse Racing Act of 1975 is
20 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
21 20, 21, 24, 25, 26, 27, 30, 30.5, 31, 31.1, 32.1, 36, 40, and
22 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
23 34.3, 39.2, and 56 as follows:

24 (230 ILCS 5/1.2)

1 Sec. 1.2. Legislative intent. This Act is intended to
2 benefit the people of the State of Illinois by encouraging the
3 breeding and production of race horses, assisting economic
4 development and promoting Illinois tourism. The General
5 Assembly finds and declares it to be the public policy of the
6 State of Illinois to:

7 (a) support and enhance Illinois' horse racing industry,
8 which is a significant component within the agribusiness
9 industry;

10 (b) ensure that Illinois' horse racing industry remains
11 competitive with neighboring states;

12 (c) stimulate growth within Illinois' horse racing
13 industry, thereby encouraging new investment and development
14 to produce additional tax revenues and to create additional
15 jobs;

16 (d) promote the further growth of tourism;

17 (e) encourage the breeding of thoroughbred and
18 standardbred horses in this State; and

19 (f) ensure that public confidence and trust in the
20 credibility and integrity of racing operations and the
21 regulatory process is maintained.

22 (Source: P.A. 91-40, eff. 6-25-99.)

23 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

24 Sec. 3.11. "Organization Licensee" means any person
25 receiving an organization license from the Board to conduct a

1 race meeting or meetings. With respect only to electronic
2 gaming, "organization licensee" includes the authorization for
3 an electronic gaming license under subsection (a) of Section 56
4 of this Act.

5 (Source: P.A. 79-1185.)

6 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

7 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
8 system of wagering" means a form of wagering on the outcome of
9 horse races in which wagers are made in various denominations
10 on a horse or horses and all wagers for each race are pooled
11 and held by a licensee for distribution in a manner approved by
12 the Board. "Pari-mutuel system of wagering" shall not include
13 wagering on historic races. Wagers may be placed via any method
14 or at any location authorized under this Act.

15 (Source: P.A. 96-762, eff. 8-25-09.)

16 (230 ILCS 5/3.31 new)

17 Sec. 3.31. Adjusted gross receipts. "Adjusted gross
18 receipts" means the gross receipts less winnings paid to
19 wagerers.

20 (230 ILCS 5/3.32 new)

21 Sec. 3.32. Gross receipts. "Gross receipts" means the total
22 amount of money exchanged for the purchase of chips, tokens, or
23 electronic cards by riverboat or casino patrons or electronic

1 gaming patrons.

2 (230 ILCS 5/3.33 new)

3 Sec. 3.33. Electronic gaming. "Electronic gaming" means
4 slot machine gambling, video game of chance gambling, or
5 gambling with electronic gambling games as defined in the
6 Illinois Gambling Act or defined by the Illinois Gaming Board
7 that is conducted at a race track pursuant to an electronic
8 gaming license.

9 (230 ILCS 5/3.35 new)

10 Sec. 3.35. Electronic gaming license. "Electronic gaming
11 license" means a license issued by the Illinois Gaming Board
12 under Section 7.6 of the Illinois Gambling Act authorizing
13 electronic gaming at an electronic gaming facility.

14 (230 ILCS 5/3.36 new)

15 Sec. 3.36. Electronic gaming facility. "Electronic gaming
16 facility" means that portion of an organization licensee's race
17 track facility at which electronic gaming is conducted.

18 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

19 Sec. 6. Restrictions on Board members.

20 (a) No person shall be appointed a member of the Board or
21 continue to be a member of the Board if the person or any
22 member of their immediate family is a member of the Board of

1 Directors, employee, or financially interested in any of the
2 following: (i) any licensee or other person who has applied for
3 racing dates to the Board, or the operations thereof including,
4 but not limited to, concessions, data processing, track
5 maintenance, track security, and pari-mutuel operations,
6 located, scheduled or doing business within the State of
7 Illinois, (ii) any race horse competing at a meeting under the
8 Board's jurisdiction, or (iii) any licensee under the Illinois
9 Gambling Act. No person shall be appointed a member of the
10 Board or continue to be a member of the Board who is (or any
11 member of whose family is) a member of the Board of Directors
12 of, or who is a person financially interested in, any licensee
13 or other person who has applied for racing dates to the Board,
14 or the operations thereof including, but not limited to,
15 concessions, data processing, track maintenance, track
16 security and pari mutuel operations, located, scheduled or
17 doing business within the State of Illinois, or in any race
18 horse competing at a meeting under the Board's jurisdiction. No
19 Board member shall hold any other public office for which he
20 shall receive compensation other than necessary travel or other
21 incidental expenses.

22 (b) No person shall be a member of the Board who is not of
23 good moral character or who has been convicted of, or is under
24 indictment for, a felony under the laws of Illinois or any
25 other state, or the United States.

26 (c) No member of the Board or employee shall engage in any

1 political activity.

2 For the purposes of this subsection (c):

3 "Political" means any activity in support of or in
4 connection with any campaign for State or local elective office
5 or any political organization, but does not include activities
6 (i) relating to the support or opposition of any executive,
7 legislative, or administrative action (as those terms are
8 defined in Section 2 of the Lobbyist Registration Act), (ii)
9 relating to collective bargaining, or (iii) that are otherwise
10 in furtherance of the person's official State duties or
11 governmental and public service functions.

12 "Political organization" means a party, committee,
13 association, fund, or other organization (whether or not
14 incorporated) that is required to file a statement of
15 organization with the State Board of Elections or county clerk
16 under Section 9-3 of the Election Code, but only with regard to
17 those activities that require filing with the State Board of
18 Elections or county clerk.

19 (d) Board members and employees may not engage in
20 communications or any activity that may cause or have the
21 appearance of causing a conflict of interest. A conflict of
22 interest exists if a situation influences or creates the
23 appearance that it may influence judgment or performance of
24 regulatory duties and responsibilities. This prohibition shall
25 extend to any act identified by Board action that, in the
26 judgment of the Board, could represent the potential for or the

1 appearance of a conflict of interest.

2 (e) Board members and employees may not accept any gift,
3 gratuity, service, compensation, travel, lodging, or thing of
4 value, with the exception of unsolicited items of an incidental
5 nature, from any person, corporation, limited liability
6 company, or entity doing business with the Board.

7 (f) A Board member or employee shall not use or attempt to
8 use his or her official position to secure, or attempt to
9 secure, any privilege, advantage, favor, or influence for
10 himself or herself or others. No Board member or employee,
11 within a period of one year immediately preceding nomination by
12 the Governor or employment, shall have been employed or
13 received compensation or fees for services from a person or
14 entity, or its parent or affiliate, that has engaged in
15 business with the Board, a licensee or a licensee under the
16 Illinois Gambling Act. In addition, all Board members and
17 employees are subject to the restrictions set forth in Section
18 5-45 of the State Officials and Employees Ethics Act.

19 (Source: P.A. 89-16, eff. 5-30-95.)

20 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

21 Sec. 9. The Board shall have all powers necessary and
22 proper to fully and effectively execute the provisions of this
23 Act, including, but not limited to, the following:

24 (a) The Board is vested with jurisdiction and supervision
25 over all race meetings in this State, over all licensees doing

1 business in this State, over all occupation licensees, and over
2 all persons on the facilities of any licensee. Such
3 jurisdiction shall include the power to issue licenses to the
4 Illinois Department of Agriculture authorizing the pari-mutuel
5 system of wagering on harness and Quarter Horse races held (1)
6 at the Illinois State Fair in Sangamon County, and (2) at the
7 DuQuoin State Fair in Perry County. The jurisdiction of the
8 Board shall also include the power to issue licenses to county
9 fairs which are eligible to receive funds pursuant to the
10 Agricultural Fair Act, as now or hereafter amended, or their
11 agents, authorizing the pari-mutuel system of wagering on horse
12 races conducted at the county fairs receiving such licenses.
13 Such licenses shall be governed by subsection (n) of this
14 Section.

15 Upon application, the Board shall issue a license to the
16 Illinois Department of Agriculture to conduct harness and
17 Quarter Horse races at the Illinois State Fair and at the
18 DuQuoin State Fairgrounds during the scheduled dates of each
19 fair. The Board shall not require and the Department of
20 Agriculture shall be exempt from the requirements of Sections
21 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
22 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
23 and 25. The Board and the Department of Agriculture may extend
24 any or all of these exemptions to any contractor or agent
25 engaged by the Department of Agriculture to conduct its race
26 meetings when the Board determines that this would best serve

1 the public interest and the interest of horse racing.

2 Notwithstanding any provision of law to the contrary, it
3 shall be lawful for any licensee to operate pari-mutuel
4 wagering or contract with the Department of Agriculture to
5 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
6 or for the Department to enter into contracts with a licensee,
7 employ its owners, employees or agents and employ such other
8 occupation licensees as the Department deems necessary in
9 connection with race meetings and wagerings.

10 (b) The Board is vested with the full power to promulgate
11 reasonable rules and regulations for the purpose of
12 administering the provisions of this Act and to prescribe
13 reasonable rules, regulations and conditions under which all
14 horse race meetings or wagering in the State shall be
15 conducted. Such reasonable rules and regulations are to provide
16 for the prevention of practices detrimental to the public
17 interest and to promote the best interests of horse racing and
18 to impose penalties for violations thereof.

19 (c) The Board, and any person or persons to whom it
20 delegates this power, is vested with the power to enter the
21 facilities and other places of business of any licensee to
22 determine whether there has been compliance with the provisions
23 of this Act and its rules and regulations.

24 (d) The Board, and any person or persons to whom it
25 delegates this power, is vested with the authority to
26 investigate alleged violations of the provisions of this Act,

1 its reasonable rules and regulations, orders and final
2 decisions; the Board shall take appropriate disciplinary
3 action against any licensee or occupation licensee for
4 violation thereof or institute appropriate legal action for the
5 enforcement thereof.

6 (e) The Board, and any person or persons to whom it
7 delegates this power, may eject or exclude from any race
8 meeting or the facilities of any licensee, or any part thereof,
9 any occupation licensee or any other individual whose conduct
10 or reputation is such that his presence on those facilities
11 may, in the opinion of the Board, call into question the
12 honesty and integrity of horse racing or wagering or interfere
13 with the orderly conduct of horse racing or wagering; provided,
14 however, that no person shall be excluded or ejected from the
15 facilities of any licensee solely on the grounds of race,
16 color, creed, national origin, ancestry, or sex. The power to
17 eject or exclude an occupation licensee or other individual may
18 be exercised for just cause by the licensee or the Board,
19 subject to subsequent hearing by the Board as to the propriety
20 of said exclusion.

21 (f) The Board is vested with the power to acquire,
22 establish, maintain and operate (or provide by contract to
23 maintain and operate) testing laboratories and related
24 facilities, for the purpose of conducting saliva, blood, urine
25 and other tests on the horses run or to be run in any horse race
26 meeting, including races run at county fairs, and to purchase

1 all equipment and supplies deemed necessary or desirable in
2 connection with any such testing laboratories and related
3 facilities and all such tests.

4 (g) The Board may require that the records, including
5 financial or other statements of any licensee or any person
6 affiliated with the licensee who is involved directly or
7 indirectly in the activities of any licensee as regulated under
8 this Act to the extent that those financial or other statements
9 relate to such activities be kept in such manner as prescribed
10 by the Board, and that Board employees shall have access to
11 those records during reasonable business hours. Within 120 days
12 of the end of its fiscal year, each licensee shall transmit to
13 the Board an audit of the financial transactions and condition
14 of the licensee's total operations. All audits shall be
15 conducted by certified public accountants. Each certified
16 public accountant must be registered in the State of Illinois
17 under the Illinois Public Accounting Act. The compensation for
18 each certified public accountant shall be paid directly by the
19 licensee to the certified public accountant. A licensee shall
20 also submit any other financial or related information the
21 Board deems necessary to effectively administer this Act and
22 all rules, regulations, and final decisions promulgated under
23 this Act.

24 (h) The Board shall name and appoint in the manner provided
25 by the rules and regulations of the Board: an Executive
26 Director; a State director of mutuels; State veterinarians and

1 representatives to take saliva, blood, urine and other tests on
2 horses; licensing personnel; revenue inspectors; and State
3 seasonal employees (excluding admission ticket sellers and
4 mutuel clerks). All of those named and appointed as provided in
5 this subsection shall serve during the pleasure of the Board;
6 their compensation shall be determined by the Board and be paid
7 in the same manner as other employees of the Board under this
8 Act.

9 (i) The Board shall require that there shall be 3 stewards
10 at each horse race meeting, at least 2 of whom shall be named
11 and appointed by the Board. Stewards appointed or approved by
12 the Board, while performing duties required by this Act or by
13 the Board, shall be entitled to the same rights and immunities
14 as granted to Board members and Board employees in Section 10
15 of this Act.

16 (j) The Board may discharge any Board employee who fails or
17 refuses for any reason to comply with the rules and regulations
18 of the Board, or who, in the opinion of the Board, is guilty of
19 fraud, dishonesty or who is proven to be incompetent. The Board
20 shall have no right or power to determine who shall be
21 officers, directors or employees of any licensee, or their
22 salaries except the Board may, by rule, require that all or any
23 officials or employees in charge of or whose duties relate to
24 the actual running of races be approved by the Board.

25 (k) The Board is vested with the power to appoint delegates
26 to execute any of the powers granted to it under this Section

1 for the purpose of administering this Act and any rules or
2 regulations promulgated in accordance with this Act.

3 (l) The Board is vested with the power to impose civil
4 penalties of up to \$5,000 against an individual and up to
5 \$10,000 against a licensee for each violation of any provision
6 of this Act, any rules adopted by the Board, any order of the
7 Board or any other action which, in the Board's discretion, is
8 a detriment or impediment to horse racing or wagering.
9 Beginning on the date when any organization licensee begins
10 conducting electronic gaming pursuant to an electronic gaming
11 license issued under the Illinois Gambling Act, the power
12 granted to the Board pursuant to this subsection (l) shall
13 authorize the Board to impose penalties of up to \$10,000
14 against an individual and up to \$25,000 against a licensee. All
15 such civil penalties shall be deposited into the Horse Racing
16 Fund.

17 (m) The Board is vested with the power to prescribe a form
18 to be used by licensees as an application for employment for
19 employees of each licensee.

20 (n) The Board shall have the power to issue a license to
21 any county fair, or its agent, authorizing the conduct of the
22 pari-mutuel system of wagering. The Board is vested with the
23 full power to promulgate reasonable rules, regulations and
24 conditions under which all horse race meetings licensed
25 pursuant to this subsection shall be held and conducted,
26 including rules, regulations and conditions for the conduct of

1 the pari-mutuel system of wagering. The rules, regulations and
2 conditions shall provide for the prevention of practices
3 detrimental to the public interest and for the best interests
4 of horse racing, and shall prescribe penalties for violations
5 thereof. Any authority granted the Board under this Act shall
6 extend to its jurisdiction and supervision over county fairs,
7 or their agents, licensed pursuant to this subsection. However,
8 the Board may waive any provision of this Act or its rules or
9 regulations which would otherwise apply to such county fairs or
10 their agents.

11 (o) Whenever the Board is authorized or required by law to
12 consider some aspect of criminal history record information for
13 the purpose of carrying out its statutory powers and
14 responsibilities, then, upon request and payment of fees in
15 conformance with the requirements of Section 2605-400 of the
16 Department of State Police Law (20 ILCS 2605/2605-400), the
17 Department of State Police is authorized to furnish, pursuant
18 to positive identification, such information contained in
19 State files as is necessary to fulfill the request.

20 (p) To insure the convenience, comfort, and wagering
21 accessibility of race track patrons, to provide for the
22 maximization of State revenue, and to generate increases in
23 purse allotments to the horsemen, the Board shall require any
24 licensee to staff the pari-mutuel department with adequate
25 personnel.

26 (Source: P.A. 97-1060, eff. 8-24-12.)

1 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

2 Sec. 15. (a) The Board shall, in its discretion, issue
3 occupation licenses to horse owners, trainers, harness
4 drivers, jockeys, agents, apprentices, grooms, stable foremen,
5 exercise persons, veterinarians, valets, blacksmiths,
6 concessionaires and others designated by the Board whose work,
7 in whole or in part, is conducted upon facilities within the
8 State. Such occupation licenses will be obtained prior to the
9 persons engaging in their vocation upon such facilities. The
10 Board shall not license pari-mutuel clerks, parking
11 attendants, security guards and employees of concessionaires.
12 No occupation license shall be required of any person who works
13 at facilities within this State as a pari-mutuel clerk, parking
14 attendant, security guard or as an employee of a
15 concessionaire. Concessionaires of the Illinois State Fair and
16 DuQuoin State Fair and employees of the Illinois Department of
17 Agriculture shall not be required to obtain an occupation
18 license by the Board.

19 (b) Each application for an occupation license shall be on
20 forms prescribed by the Board. Such license, when issued, shall
21 be for the period ending December 31 of each year, except that
22 the Board in its discretion may grant 3-year licenses. The
23 application shall be accompanied by a fee of not more than \$25
24 per year or, in the case of 3-year occupation license
25 applications, a fee of not more than \$60. Each applicant shall

1 set forth in the application his full name and address, and if
2 he had been issued prior occupation licenses or has been
3 licensed in any other state under any other name, such name,
4 his age, whether or not a permit or license issued to him in
5 any other state has been suspended or revoked and if so whether
6 such suspension or revocation is in effect at the time of the
7 application, and such other information as the Board may
8 require. Fees for registration of stable names shall not exceed
9 \$50.00. Beginning on the date when any organization licensee
10 begins conducting electronic gaming pursuant to an electronic
11 gambling license issued under the Illinois Gambling Act, the
12 fee for registration of stable names shall not exceed \$150, and
13 the application fee for an occupation license shall not exceed
14 \$75, per year or, in the case of a 3-year occupation license
15 application, the fee shall not exceed \$180.

16 (c) The Board may in its discretion refuse an occupation
17 license to any person:

18 (1) who has been convicted of a crime;

19 (2) who is unqualified to perform the duties required
20 of such applicant;

21 (3) who fails to disclose or states falsely any
22 information called for in the application;

23 (4) who has been found guilty of a violation of this
24 Act or of the rules and regulations of the Board; or

25 (5) whose license or permit has been suspended, revoked
26 or denied for just cause in any other state.

1 (d) The Board may suspend or revoke any occupation license:

2 (1) for violation of any of the provisions of this Act;

3 or

4 (2) for violation of any of the rules or regulations of
5 the Board; or

6 (3) for any cause which, if known to the Board, would
7 have justified the Board in refusing to issue such
8 occupation license; or

9 (4) for any other just cause.

10 (e) Each applicant shall submit his or her fingerprints
11 to the Department of State Police in the form and manner
12 prescribed by the Department of State Police. These
13 fingerprints shall be checked against the fingerprint records
14 now and hereafter filed in the Department of State Police and
15 Federal Bureau of Investigation criminal history records
16 databases. The Department of State Police shall charge a fee
17 for conducting the criminal history records check, which shall
18 be deposited in the State Police Services Fund and shall not
19 exceed the actual cost of the records check. The Department of
20 State Police shall furnish, pursuant to positive
21 identification, records of conviction to the Board. Each
22 applicant for licensure shall submit with his occupation
23 license application, on forms provided by the Board, 2 sets of
24 his fingerprints. All such applicants shall appear in person at
25 the location designated by the Board for the purpose of
26 submitting such sets of fingerprints; however, with the prior

1 approval of a State steward, an applicant may have such sets of
2 fingerprints taken by an official law enforcement agency and
3 submitted to the Board.

4 (f) The Board may, in its discretion, issue an occupation
5 license without submission of fingerprints if an applicant has
6 been duly licensed in another recognized racing jurisdiction
7 after submitting fingerprints that were subjected to a Federal
8 Bureau of Investigation criminal history background check in
9 that jurisdiction.

10 (g) Beginning on the date when any organization licensee
11 begins conducting electronic gambling pursuant to an
12 electronic gaming license issued under the Illinois Gambling
13 Act, the Board may charge each applicant a reasonable
14 non-refundable fee to defray the costs associated with the
15 background investigation conducted by the Board. This fee shall
16 be exclusive of any other fee or fees charged in connection
17 with an application for and, if applicable, the issuance of, an
18 electronic gaming license. If the costs of the investigation
19 exceed the amount of the fee charged, the Board shall
20 immediately notify the applicant of the additional amount owed,
21 payment of which must be submitted to the Board within 7 days
22 after such notification. All information, records, interviews,
23 reports, statements, memoranda, or other data supplied to or
24 used by the Board in the course of its review or investigation
25 of an applicant for a license or renewal under this Act shall
26 be privileged, strictly confidential, and shall be used only

1 for the purpose of evaluating an applicant for a license or a
2 renewal. Such information, records, interviews, reports,
3 statements, memoranda, or other data shall not be admissible as
4 evidence, nor discoverable, in any action of any kind in any
5 court or before any tribunal, board, agency, or person, except
6 for any action deemed necessary by the Board.

7 (Source: P.A. 93-418, eff. 1-1-04.)

8 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

9 Sec. 18. (a) Together with its application, each applicant
10 for racing dates shall deliver to the Board a certified check
11 or bank draft payable to the order of the Board for \$1,000. In
12 the event the applicant applies for racing dates in 2 or 3
13 successive calendar years as provided in subsection (b) of
14 Section 21, the fee shall be \$2,000. Filing fees shall not be
15 refunded in the event the application is denied. Beginning on
16 the date when any organization licensee begins conducting
17 electronic gaming pursuant to an electronic gaming license
18 issued under the Illinois Gambling Act, the application fee for
19 racing dates imposed by this subsection (a) shall be \$10,000
20 and the application fee for racing dates in 2 or 3 successive
21 calendar years as provided in subsection (b) of Section 21
22 shall be \$20,000. All filing fees shall be deposited into the
23 Horse Racing Fund.

24 (b) In addition to the filing fee imposed by subsection (a)
25 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,

1 each organization licensee shall pay a license fee of \$100 for
2 each racing program on which its daily pari-mutuel handle is
3 \$400,000 or more but less than \$700,000, and a license fee of
4 \$200 for each racing program on which its daily pari-mutuel
5 handle is \$700,000 or more. The additional fees required to be
6 paid under this Section by this amendatory Act of 1982 shall be
7 remitted by the organization licensee to the Illinois Racing
8 Board with each day's graduated privilege tax or pari-mutuel
9 tax and breakage as provided under Section 27. Beginning on the
10 date when any organization licensee begins conducting
11 electronic gaming pursuant to an electronic gaming license
12 issued under the Illinois Gambling Act, the license fee imposed
13 by this subsection (b) shall be \$200 for each racing program on
14 which the organization licensee's daily pari-mutuel handle is
15 \$100,000 or more, but less than \$400,000, and the license fee
16 imposed by this subsection (b) shall be \$400 for each racing
17 program on which the organization licensee's daily pari-mutuel
18 handle is \$400,000 or more.

19 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
20 Municipal Code," approved May 29, 1961, as now or hereafter
21 amended, shall not apply to any license under this Act.

22 (Source: P.A. 97-1060, eff. 8-24-12.)

23 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

24 Sec. 19. (a) No organization license may be granted to
25 conduct a horse race meeting:

1 (1) except as provided in subsection (c) of Section 21
2 of this Act, to any person at any place within 35 miles of
3 any other place licensed by the Board to hold a race
4 meeting on the same date during the same hours, the mileage
5 measurement used in this subsection (a) shall be certified
6 to the Board by the Bureau of Systems and Services in the
7 Illinois Department of Transportation as the most commonly
8 used public way of vehicular travel;

9 (2) to any person in default in the payment of any
10 obligation or debt due the State under this Act, provided
11 no applicant shall be deemed in default in the payment of
12 any obligation or debt due to the State under this Act as
13 long as there is pending a hearing of any kind relevant to
14 such matter;

15 (3) to any person who has been convicted of the
16 violation of any law of the United States or any State law
17 which provided as all or part of its penalty imprisonment
18 in any penal institution; to any person against whom there
19 is pending a Federal or State criminal charge; to any
20 person who is or has been connected with or engaged in the
21 operation of any illegal business; to any person who does
22 not enjoy a general reputation in his community of being an
23 honest, upright, law-abiding person; provided that none of
24 the matters set forth in this subparagraph (3) shall make
25 any person ineligible to be granted an organization license
26 if the Board determines, based on circumstances of any such

1 case, that the granting of a license would not be
2 detrimental to the interests of horse racing and of the
3 public;

4 (4) to any person who does not at the time of
5 application for the organization license own or have a
6 contract or lease for the possession of a finished race
7 track suitable for the type of racing intended to be held
8 by the applicant and for the accommodation of the public.

9 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~
10 ~~unless authorized by ordinance or referendum of the~~
11 ~~municipality in which a race track or any of its appurtenances~~
12 ~~or facilities are located, or utilized.~~

13 (c) If any person is ineligible to receive an organization
14 license because of any of the matters set forth in subsection
15 (a) (2) or subsection (a) (3) of this Section, any other or
16 separate person that either (i) controls, directly or
17 indirectly, such ineligible person or (ii) is controlled,
18 directly or indirectly, by such ineligible person or by a
19 person which controls, directly or indirectly, such ineligible
20 person shall also be ineligible.

21 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

22 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

23 Sec. 20. (a) Any person desiring to conduct a horse race
24 meeting may apply to the Board for an organization license. The
25 application shall be made on a form prescribed and furnished by

1 the Board. The application shall specify:

2 (1) the dates on which it intends to conduct the horse
3 race meeting, which dates shall be provided under Section
4 21;

5 (2) the hours of each racing day between which it
6 intends to hold or conduct horse racing at such meeting;

7 (3) the location where it proposes to conduct the
8 meeting; and

9 (4) any other information the Board may reasonably
10 require.

11 (b) A separate application for an organization license
12 shall be filed for each horse race meeting which such person
13 proposes to hold. Any such application, if made by an
14 individual, or by any individual as trustee, shall be signed
15 and verified under oath by such individual. If the application
16 is made by individuals, then it shall be signed and verified
17 under oath by at least 2 of the individuals; if the application
18 is made by ~~or a partnership, it shall be signed and verified~~
19 ~~under oath by at least 2 of such individuals or members of such~~
20 ~~partnership as the case may be. If made by an association, a~~
21 ~~corporation, a corporate trustee, a limited liability company,~~
22 ~~or any other entity, it shall be signed by~~ an authorized
23 officer, a partner, a member, or a manager, as the case may be,
24 of the entity ~~the president and attested by the secretary or~~
25 ~~assistant secretary under the seal of such association, trust~~
26 ~~or corporation if it has a seal, and shall also be verified~~

1 ~~under oath by one of the signing officers.~~

2 (c) The application shall specify:

3 (1) the name of the persons, association, trust, or
4 corporation making such application; ~~and~~

5 (2) the principal ~~post office~~ address of the applicant;

6 (3) if the applicant is a trustee, the names and
7 addresses of the beneficiaries; if the applicant is a
8 corporation, the names and ~~post office~~ addresses of all
9 officers, stockholders and directors; or if such
10 stockholders hold stock as a nominee or fiduciary, the
11 names and ~~post office~~ addresses of the parties ~~these~~
12 ~~persons, partnerships, corporations, or trusts~~ who are the
13 beneficial owners thereof or who are beneficially
14 interested therein; ~~and~~ if the applicant is a partnership,
15 the names and ~~post office~~ addresses of all partners,
16 general or limited; if the applicant is a limited liability
17 company, the names and addresses of the manager and
18 members; and if the applicant is any other entity, the
19 names and addresses of all officers or other authorized
20 persons of the entity ~~corporation, the name of the state of~~
21 ~~its incorporation shall be specified.~~

22 (d) The applicant shall execute and file with the Board a
23 good faith affirmative action plan to recruit, train, and
24 upgrade minorities in all classifications within the
25 association.

26 (e) With such application there shall be delivered to the

1 Board a certified check or bank draft payable to the order of
2 the Board for an amount equal to \$1,000. All applications for
3 the issuance of an organization license shall be filed with the
4 Board before August 1 of the year prior to the year for which
5 application is made and shall be acted upon by the Board at a
6 meeting to be held on such date as shall be fixed by the Board
7 during the last 15 days of September of such prior year. At
8 such meeting, the Board shall announce the award of the racing
9 meets, live racing schedule, and designation of host track to
10 the applicants and its approval or disapproval of each
11 application. No announcement shall be considered binding until
12 a formal order is executed by the Board, which shall be
13 executed no later than October 15 of that prior year. Absent
14 the agreement of the affected organization licensees, the Board
15 shall not grant overlapping race meetings to 2 or more tracks
16 that are within 100 miles of each other to conduct the
17 thoroughbred racing.

18 (e-1) In awarding standardbred racing dates for calendar
19 year 2014 and thereafter, the Board shall award at least 310
20 racing days, and each organization licensee shall average at
21 least 12 races for each racing day awarded. The Board shall
22 have the discretion to allocate those racing days among
23 organization licensees requesting standardbred racing dates.
24 Once awarded by the Board, organization licensees awarded
25 standardbred racing dates shall run at least 3,500 races in
26 total during that calendar year. Standardbred racing conducted

1 in Sangamon County shall not be considered races under this
2 subsection (e-1).

3 (e-2) In awarding racing dates for calendar year 2014 and
4 thereafter, the Board shall award thoroughbred racing days to
5 Cook County organization licensees commensurate with these
6 organization licensees' requirement that they shall run at
7 least 1,950 thoroughbred races in the aggregate, so long as 2
8 organization licensees are conducting electronic gaming
9 operations. Additionally, if the organization licensees that
10 run thoroughbred races in Cook County are conducting electronic
11 gaming operations, the Board shall increase the number of
12 thoroughbred races to be run in Cook County in the aggregate to
13 at least the following:

14 (i) 2,050 races in any year following the most recent
15 preceding complete calendar year when the combined
16 adjusted gross receipts of the electronic gaming licensees
17 operating at Cook County race tracks total in excess of
18 \$200,000,000, but do not exceed \$250,000,000;

19 (ii) 2,125 races in any year following the most recent
20 preceding complete calendar year when the combined
21 adjusted gross receipts of the electronic gaming licensees
22 operating at Cook County race tracks total in excess of
23 \$250,000,000, but do not exceed \$300,000,000;

24 (iii) 2,200 races in any year following the most recent
25 preceding complete calendar year when the combined
26 adjusted gross receipts of the electronic gaming licensees

1 operating at Cook County race tracks total in excess of
2 \$300,000,000, but do not exceed \$350,000,000;

3 (iv) 2,300 races in any year following the most recent
4 preceding complete calendar year when the combined
5 adjusted gross receipts of the electronic gaming licensees
6 operating at Cook County race tracks total in excess of
7 \$350,000,000, but do not exceed \$400,000,000;

8 (v) 2,375 races in any year following the most recent
9 preceding complete calendar year when the combined
10 adjusted gross receipts of the electronic gaming licensees
11 operating at Cook County race tracks total in excess of
12 \$400,000,000, but do not exceed \$450,000,000;

13 (vi) 2,450 races in any year following the most recent
14 preceding complete calendar year when the combined
15 adjusted gross receipts of the electronic gaming licensees
16 operating at Cook County race tracks total in excess of
17 \$450,000,000, but do not exceed \$500,000,000;

18 (vii) 2,550 races in any year following the most recent
19 preceding complete calendar year when the combined
20 adjusted gross receipts of the electronic gaming licensees
21 operating at Cook County race tracks exceeds \$500,000,000.

22 In awarding racing dates under this subsection (e-2), the
23 Board shall have the discretion to allocate those thoroughbred
24 racing dates among these Cook County organization licensees.

25 (e-3) In awarding racing dates for calendar year 2014 and
26 thereafter in connection with a race track in Madison County,

1 the Board shall award racing dates and such organization
2 licensee shall run at least 700 thoroughbred races at the race
3 track in Madison County each year.

4 Notwithstanding Section 7.6 of the Illinois Gambling Act or
5 any provision of this Act other than subsection (e-4.5), for
6 each calendar year for which an electronic gaming licensee
7 located in Madison County requests racing dates resulting in
8 less than 700 live thoroughbred races at its race track
9 facility, the electronic gaming licensee may not conduct
10 electronic gaming for the calendar year of such requested live
11 races.

12 (e-4) Notwithstanding the provisions of Section 7.6 of the
13 Illinois Gambling Act or any provision of this Act other than
14 subsections (e-3) and (e-4.5), for each calendar year for which
15 an electronic gaming licensee requests racing dates for a
16 specific horse breed which results in a number of live races
17 for that specific breed under its organization license that is
18 less than the total number of live races for that specific
19 breed which it conducted in 2011 for standardbred racing and in
20 2009 for thoroughbred racing at its race track facility, the
21 electronic gaming licensee may not conduct electronic gaming
22 for the calendar year of such requested live races.

23 (e-4.5) The Board shall ensure that each organization
24 licensee shall individually run a sufficient number of races
25 per year to qualify for an electronic gaming license under this
26 Act. The General Assembly finds that the minimum live racing

1 guarantees contained in subsections (e-1), (e-2), and (e-3) are
2 in the best interest of the sport of horse racing, and that
3 such guarantees may only be reduced in the limited
4 circumstances described in this subsection. The Board may
5 decrease the number of racing days without affecting an
6 organization licensee's ability to conduct electronic gaming
7 only if the Board determines, after notice and hearing, that:

8 (i) a decrease is necessary to maintain a sufficient
9 number of betting interests per race to ensure the
10 integrity of racing;

11 (ii) there are unsafe track conditions due to weather
12 or acts of God;

13 (iii) there is an agreement between an organization
14 licensee and the breed association that is applicable to
15 the involved live racing guarantee, such association
16 representing either the largest number of thoroughbred
17 owners and trainers or the largest number of standardbred
18 owners, trainers and drivers who race horses at the
19 involved organization licensee's racing meeting, so long
20 as the agreement does not compromise the integrity of the
21 sport of horse racing; or

22 (iv) the horse population or purse levels are
23 insufficient to provide the number of racing opportunities
24 otherwise required in this Act.

25 In decreasing the number of racing dates in accordance with
26 this subsection, the Board shall hold a hearing and shall

1 provide the public and all interested parties notice and an
2 opportunity to be heard. The Board shall accept testimony from
3 all interested parties, including any association representing
4 owners, trainers, jockeys, or drivers who will be affected by
5 the decrease in racing dates. The Board shall provide a written
6 explanation of the reasons for the decrease and the Board's
7 findings. The written explanation shall include a listing and
8 content of all communication between any party and any Illinois
9 Racing Board member or staff that does not take place at a
10 public meeting of the Board.

11 (e-5) In reviewing an application for the purpose of
12 granting an organization license consistent with the best
13 interests of the public and the sport of horse racing, the
14 Board shall consider:

15 (1) the character, reputation, experience, and
16 financial integrity of the applicant and of any other
17 separate person that either:

18 (i) controls the applicant, directly or
19 indirectly, or

20 (ii) is controlled, directly or indirectly, by
21 that applicant or by a person who controls, directly or
22 indirectly, that applicant;

23 (2) the applicant's facilities or proposed facilities
24 for conducting horse racing;

25 (3) the total revenue without regard to Section 32.1 to
26 be derived by the State and horsemen from the applicant's

1 conducting a race meeting;

2 (4) the applicant's good faith affirmative action plan
3 to recruit, train, and upgrade minorities in all employment
4 classifications;

5 (5) the applicant's financial ability to purchase and
6 maintain adequate liability and casualty insurance;

7 (6) the applicant's proposed and prior year's
8 promotional and marketing activities and expenditures of
9 the applicant associated with those activities;

10 (7) an agreement, if any, among organization licensees
11 as provided in subsection (b) of Section 21 of this Act;
12 and

13 (8) the extent to which the applicant exceeds or meets
14 other standards for the issuance of an organization license
15 that the Board shall adopt by rule.

16 In granting organization licenses and allocating dates for
17 horse race meetings, the Board shall have discretion to
18 determine an overall schedule, including required simulcasts
19 of Illinois races by host tracks that will, in its judgment, be
20 conducive to the best interests of the public and the sport of
21 horse racing.

22 (e-10) The Illinois Administrative Procedure Act shall
23 apply to administrative procedures of the Board under this Act
24 for the granting of an organization license, except that (1)
25 notwithstanding the provisions of subsection (b) of Section
26 10-40 of the Illinois Administrative Procedure Act regarding

1 cross-examination, the Board may prescribe rules limiting the
2 right of an applicant or participant in any proceeding to award
3 an organization license to conduct cross-examination of
4 witnesses at that proceeding where that cross-examination
5 would unduly obstruct the timely award of an organization
6 license under subsection (e) of Section 20 of this Act; (2) the
7 provisions of Section 10-45 of the Illinois Administrative
8 Procedure Act regarding proposals for decision are excluded
9 under this Act; (3) notwithstanding the provisions of
10 subsection (a) of Section 10-60 of the Illinois Administrative
11 Procedure Act regarding ex parte communications, the Board may
12 prescribe rules allowing ex parte communications with
13 applicants or participants in a proceeding to award an
14 organization license where conducting those communications
15 would be in the best interest of racing, provided all those
16 communications are made part of the record of that proceeding
17 pursuant to subsection (c) of Section 10-60 of the Illinois
18 Administrative Procedure Act; (4) the provisions of Section 14a
19 of this Act and the rules of the Board promulgated under that
20 Section shall apply instead of the provisions of Article 10 of
21 the Illinois Administrative Procedure Act regarding
22 administrative law judges; and (5) the provisions of subsection
23 (d) of Section 10-65 of the Illinois Administrative Procedure
24 Act that prevent summary suspension of a license pending
25 revocation or other action shall not apply.

26 (f) The Board may allot racing dates to an organization

1 licensee for more than one calendar year but for no more than 3
2 successive calendar years in advance, provided that the Board
3 shall review such allotment for more than one calendar year
4 prior to each year for which such allotment has been made. The
5 granting of an organization license to a person constitutes a
6 privilege to conduct a horse race meeting under the provisions
7 of this Act, and no person granted an organization license
8 shall be deemed to have a vested interest, property right, or
9 future expectation to receive an organization license in any
10 subsequent year as a result of the granting of an organization
11 license. Organization licenses shall be subject to revocation
12 if the organization licensee has violated any provision of this
13 Act or the rules and regulations promulgated under this Act or
14 has been convicted of a crime or has failed to disclose or has
15 stated falsely any information called for in the application
16 for an organization license. Any organization license
17 revocation proceeding shall be in accordance with Section 16
18 regarding suspension and revocation of occupation licenses.

19 (f-5) If, (i) an applicant does not file an acceptance of
20 the racing dates awarded by the Board as required under part
21 (1) of subsection (h) of this Section 20, or (ii) an
22 organization licensee has its license suspended or revoked
23 under this Act, the Board, upon conducting an emergency hearing
24 as provided for in this Act, may reaward on an emergency basis
25 pursuant to rules established by the Board, racing dates not
26 accepted or the racing dates associated with any suspension or

1 revocation period to one or more organization licensees, new
2 applicants, or any combination thereof, upon terms and
3 conditions that the Board determines are in the best interest
4 of racing, provided, the organization licensees or new
5 applicants receiving the awarded racing dates file an
6 acceptance of those reawarded racing dates as required under
7 paragraph (1) of subsection (h) of this Section 20 and comply
8 with the other provisions of this Act. The Illinois
9 Administrative Procedure Act shall not apply to the
10 administrative procedures of the Board in conducting the
11 emergency hearing and the reallocation of racing dates on an
12 emergency basis.

13 (g) (Blank).

14 (h) The Board shall send the applicant a copy of its
15 formally executed order by certified mail addressed to the
16 applicant at the address stated in his application, which
17 notice shall be mailed within 5 days of the date the formal
18 order is executed.

19 Each applicant notified shall, within 10 days after receipt
20 of the final executed order of the Board awarding racing dates:

21 (1) file with the Board an acceptance of such award in
22 the form prescribed by the Board;

23 (2) pay to the Board an additional amount equal to \$110
24 for each racing date awarded; and

25 (3) file with the Board the bonds required in Sections
26 21 and 25 at least 20 days prior to the first day of each

1 race meeting.

2 Upon compliance with the provisions of paragraphs (1), (2), and
3 (3) of this subsection (h), the applicant shall be issued an
4 organization license.

5 If any applicant fails to comply with this Section or fails
6 to pay the organization license fees herein provided, no
7 organization license shall be issued to such applicant.

8 (Source: P.A. 97-333, eff. 8-12-11.)

9 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

10 Sec. 21. (a) Applications for organization licenses must be
11 filed with the Board at a time and place prescribed by the
12 rules and regulations of the Board. The Board shall examine the
13 applications within 21 days after the date allowed for filing
14 with respect to their conformity with this Act and such rules
15 and regulations as may be prescribed by the Board. If any
16 application does not comply with this Act or the rules and
17 regulations prescribed by the Board, such application may be
18 rejected and an organization license refused to the applicant,
19 or the Board may, within 21 days of the receipt of such
20 application, advise the applicant of the deficiencies of the
21 application under the Act or the rules and regulations of the
22 Board, and require the submittal of an amended application
23 within a reasonable time determined by the Board; and upon
24 submittal of the amended application by the applicant, the
25 Board may consider the application consistent with the process

1 described in subsection (e-5) of Section 20 of this Act. If it
2 is found to be in compliance with this Act and the rules and
3 regulations of the Board, the Board may then issue an
4 organization license to such applicant.

5 (b) The Board may exercise discretion in granting racing
6 dates to qualified applicants different from those requested by
7 the applicants in their applications. However, if all eligible
8 applicants for organization licenses whose tracks are located
9 within 100 miles of each other execute and submit to the Board
10 a written agreement among such applicants as to the award of
11 racing dates, including where applicable racing programs, for
12 up to 3 consecutive years, then subject to annual review of
13 each applicant's compliance with Board rules and regulations,
14 provisions of this Act and conditions contained in annual dates
15 orders issued by the Board, the Board may grant such dates and
16 programs to such applicants as so agreed by them if the Board
17 determines that the grant of these racing dates is in the best
18 interests of racing. The Board shall treat any such agreement
19 as the agreement signatories' joint and several application for
20 racing dates during the term of the agreement.

21 (c) Where 2 or more applicants propose to conduct horse
22 race meetings within 35 miles of each other, as certified to
23 the Board under Section 19 (a) (1) of this Act, on conflicting
24 dates, the Board may determine and grant the number of racing
25 days to be awarded to the several applicants in accordance with
26 the provisions of subsection (e-5) of Section 20 of this Act.

1 (d) (Blank).

2 (e) Prior to the issuance of an organization license, the
3 applicant shall file with the Board a bond payable to the State
4 of Illinois in the sum of \$200,000, executed by the applicant
5 and a surety company or companies authorized to do business in
6 this State, and conditioned upon the payment by the
7 organization licensee of all taxes due under Section 27, other
8 monies due and payable under this Act, all purses due and
9 payable, and that the organization licensee will upon
10 presentation of the winning ticket or tickets distribute all
11 sums due to the patrons of pari-mutuel pools. Beginning on the
12 date when any organization licensee begins conducting
13 electronic gaming pursuant to an electronic gaming license
14 issued under the Illinois Gambling Act, the amount of the bond
15 required under this subsection (e) shall be \$500,000.

16 (f) Each organization license shall specify the person to
17 whom it is issued, the dates upon which horse racing is
18 permitted, and the location, place, track, or enclosure where
19 the horse race meeting is to be held.

20 (g) Any person who owns one or more race tracks within the
21 State may seek, in its own name, a separate organization
22 license for each race track.

23 (h) All racing conducted under such organization license is
24 subject to this Act and to the rules and regulations from time
25 to time prescribed by the Board, and every such organization
26 license issued by the Board shall contain a recital to that

1 effect.

2 (i) Each such organization licensee may provide that at
3 least one race per day may be devoted to the racing of quarter
4 horses, appaloosas, arabians, or paints.

5 (j) In acting on applications for organization licenses,
6 the Board shall give weight to an organization license which
7 has implemented a good faith affirmative action effort to
8 recruit, train and upgrade minorities in all classifications
9 within the organization license.

10 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

11 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

12 Sec. 24. (a) No license shall be issued to or held by an
13 organization licensee unless all of its officers, directors,
14 and holders of ownership interests of at least 5% are first
15 approved by the Board. The Board shall not give approval of an
16 organization license application to any person who has been
17 convicted of or is under an indictment for a crime of moral
18 turpitude or has violated any provision of the racing law of
19 this State or any rules of the Board.

20 (b) An organization licensee must notify the Board within
21 10 days of any change in the holders of a direct or indirect
22 interest in the ownership of the organization licensee. The
23 Board may, after hearing, revoke the organization license of
24 any person who registers on its books or knowingly permits a
25 direct or indirect interest in the ownership of that person

1 without notifying the Board of the name of the holder in
2 interest within this period.

3 (c) In addition to the provisions of subsection (a) of this
4 Section, no person shall be granted an organization license if
5 any public official of the State or member of his or her family
6 holds any ownership or financial interest, directly or
7 indirectly, in the person.

8 (d) No person which has been granted an organization
9 license to hold a race meeting shall give to any public
10 official or member of his family, directly or indirectly, for
11 or without consideration, any interest in the person. The Board
12 shall, after hearing, revoke the organization license granted
13 to a person which has violated this subsection.

14 (e) (Blank).

15 (f) No organization licensee or concessionaire or officer,
16 director or holder or controller of 5% or more legal or
17 beneficial interest in any organization licensee or concession
18 shall make any sort of gift or contribution that is prohibited
19 under Article 10 of the State Officials and Employees Ethics
20 Act ~~of any kind~~ or pay or give any money or other thing of value
21 to any person who is a public official, or a candidate or
22 nominee for public office if that payment or gift is prohibited
23 under Article 10 of the State Officials and Employees Ethics
24 Act.

25 (Source: P.A. 89-16, eff. 5-30-95.)

1 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

2 Sec. 25. Admission charge; bond; fine.

3 (a) There shall be paid to the Board at such time or times
4 as it shall prescribe, the sum of fifteen cents (15¢) for each
5 person entering the grounds or enclosure of each organization
6 licensee and inter-track wagering licensee upon a ticket of
7 admission except as provided in subsection (g) of Section 27 of
8 this Act. If tickets are issued for more than one day then the
9 sum of fifteen cents (15¢) shall be paid for each person using
10 such ticket on each day that the same shall be used. Provided,
11 however, that no charge shall be made on tickets of admission
12 issued to and in the name of directors, officers, agents or
13 employees of the organization licensee, or inter-track
14 wagering licensee, or to owners, trainers, jockeys, drivers and
15 their employees or to any person or persons entering the
16 grounds or enclosure for the transaction of business in
17 connection with such race meeting. The organization licensee or
18 inter-track wagering licensee may, if it desires, collect such
19 amount from each ticket holder in addition to the amount or
20 amounts charged for such ticket of admission. Beginning on the
21 date when any organization licensee begins conducting
22 electronic gaming pursuant to an electronic gaming license
23 issued under the Illinois Gambling Act, the admission charge
24 imposed by this subsection (a) shall be 40 cents for each
25 person entering the grounds or enclosure of each organization
26 licensee and inter-track wagering licensee upon a ticket of

1 admission, and if such tickets are issued for more than one
2 day, 40 cents shall be paid for each person using such ticket
3 on each day that the same shall be used.

4 (b) Accurate records and books shall at all times be kept
5 and maintained by the organization licensees and inter-track
6 wagering licensees showing the admission tickets issued and
7 used on each racing day and the attendance thereat of each
8 horse racing meeting. The Board or its duly authorized
9 representative or representatives shall at all reasonable
10 times have access to the admission records of any organization
11 licensee and inter-track wagering licensee for the purpose of
12 examining and checking the same and ascertaining whether or not
13 the proper amount has been or is being paid the State of
14 Illinois as herein provided. The Board shall also require,
15 before issuing any license, that the licensee shall execute and
16 deliver to it a bond, payable to the State of Illinois, in such
17 sum as it shall determine, not, however, in excess of fifty
18 thousand dollars (\$50,000), with a surety or sureties to be
19 approved by it, conditioned for the payment of all sums due and
20 payable or collected by it under this Section upon admission
21 fees received for any particular racing meetings. The Board may
22 also from time to time require sworn statements of the number
23 or numbers of such admissions and may prescribe blanks upon
24 which such reports shall be made. Any organization licensee or
25 inter-track wagering licensee failing or refusing to pay the
26 amount found to be due as herein provided, shall be deemed

1 guilty of a business offense and upon conviction shall be
2 punished by a fine of not more than five thousand dollars
3 (\$5,000) in addition to the amount due from such organization
4 licensee or inter-track wagering licensee as herein provided.
5 All fines paid into court by an organization licensee or
6 inter-track wagering licensee found guilty of violating this
7 Section shall be transmitted and paid over by the clerk of the
8 court to the Board. Beginning on the date when any organization
9 licensee begins conducting electronic gaming pursuant to an
10 electronic gaming license issued under the Illinois Gambling
11 Act, any fine imposed pursuant to this subsection (b) shall not
12 exceed \$10,000.

13 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

14 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

15 Sec. 26. Wagering.

16 (a) Any licensee may conduct and supervise the pari-mutuel
17 system of wagering, as defined in Section 3.12 of this Act, on
18 horse races conducted by an Illinois organization licensee or
19 conducted at a racetrack located in another state or country
20 ~~and televised in Illinois~~ in accordance with subsection (g) of
21 Section 26 of this Act. Subject to the prior consent of the
22 Board, licensees may supplement any pari-mutuel pool in order
23 to guarantee a minimum distribution. Such pari-mutuel method of
24 wagering shall not, under any circumstances if conducted under
25 the provisions of this Act, be held or construed to be

1 unlawful, other statutes of this State to the contrary
2 notwithstanding. Subject to rules for advance wagering
3 promulgated by the Board, any licensee may accept wagers in
4 advance of the day of the race wagered upon occurs.

5 (b) Except for those gaming activities for which a license
6 is obtained and authorized under the Illinois Lottery Act, the
7 Charitable Games Act, the Raffles Act, or the Illinois Gambling
8 Act, no ~~no~~ other method of betting, pool making, wagering or
9 gambling shall be used or permitted by the licensee. Each
10 licensee may retain, subject to the payment of all applicable
11 taxes and purses, an amount not to exceed 17% of all money
12 wagered under subsection (a) of this Section, except as may
13 otherwise be permitted under this Act.

14 (b-5) An individual may place a wager under the pari-mutuel
15 system from any licensed location authorized under this Act
16 provided that wager is electronically recorded in the manner
17 described in Section 3.12 of this Act. Any wager made
18 electronically by an individual while physically on the
19 premises of a licensee shall be deemed to have been made at the
20 premises of that licensee.

21 (c) Until January 1, 2000, the sum held by any licensee for
22 payment of outstanding pari-mutuel tickets, if unclaimed prior
23 to December 31 of the next year, shall be retained by the
24 licensee for payment of such tickets until that date. Within 10
25 days thereafter, the balance of such sum remaining unclaimed,
26 less any uncashed supplements contributed by such licensee for

1 the purpose of guaranteeing minimum distributions of any
2 pari-mutuel pool, shall be paid to the Illinois Veterans'
3 Rehabilitation Fund of the State treasury, except as provided
4 in subsection (g) of Section 27 of this Act.

5 (c-5) Beginning January 1, 2000, the sum held by any
6 licensee for payment of outstanding pari-mutuel tickets, if
7 unclaimed prior to December 31 of the next year, shall be
8 retained by the licensee for payment of such tickets until that
9 date. Within 10 days thereafter, the balance of such sum
10 remaining unclaimed, less any uncashed supplements contributed
11 by such licensee for the purpose of guaranteeing minimum
12 distributions of any pari-mutuel pool, shall be evenly
13 distributed to the purse account of the organization licensee
14 and the organization licensee.

15 (d) A pari-mutuel ticket shall be honored until December 31
16 of the next calendar year, and the licensee shall pay the same
17 and may charge the amount thereof against unpaid money
18 similarly accumulated on account of pari-mutuel tickets not
19 presented for payment.

20 (e) No licensee shall knowingly permit any minor, other
21 than an employee of such licensee or an owner, trainer, jockey,
22 driver, or employee thereof, to be admitted during a racing
23 program unless accompanied by a parent or guardian, or any
24 minor to be a patron of the pari-mutuel system of wagering
25 conducted or supervised by it. The admission of any
26 unaccompanied minor, other than an employee of the licensee or

1 an owner, trainer, jockey, driver, or employee thereof at a
2 race track is a Class C misdemeanor.

3 (f) Notwithstanding the other provisions of this Act, an
4 organization licensee may contract with an entity in another
5 state or country to permit any legal wagering entity in another
6 state or country to accept wagers solely within such other
7 state or country on races conducted by the organization
8 licensee in this State. Beginning January 1, 2000, these wagers
9 shall not be subject to State taxation. Until January 1, 2000,
10 when the out-of-State entity conducts a pari-mutuel pool
11 separate from the organization licensee, a privilege tax equal
12 to 7 1/2% of all monies received by the organization licensee
13 from entities in other states or countries pursuant to such
14 contracts is imposed on the organization licensee, and such
15 privilege tax shall be remitted to the Department of Revenue
16 within 48 hours of receipt of the moneys from the simulcast.
17 When the out-of-State entity conducts a combined pari-mutuel
18 pool with the organization licensee, the tax shall be 10% of
19 all monies received by the organization licensee with 25% of
20 the receipts from this 10% tax to be distributed to the county
21 in which the race was conducted.

22 An organization licensee may permit one or more of its
23 races to be utilized for pari-mutuel wagering at one or more
24 locations in other states and may transmit audio and visual
25 signals of races the organization licensee conducts to one or
26 more locations outside the State or country and may also permit

1 pari-mutuel pools in other states or countries to be combined
2 with its gross or net wagering pools or with wagering pools
3 established by other states.

4 (g) A host track may accept interstate simulcast wagers on
5 horse races conducted in other states or countries and shall
6 control the number of signals and types of breeds of racing in
7 its simulcast program, subject to the disapproval of the Board.
8 The Board may prohibit a simulcast program only if it finds
9 that the simulcast program is clearly adverse to the integrity
10 of racing. The host track simulcast program shall include the
11 signal of live racing of all organization licensees. All
12 non-host licensees and advance deposit wagering licensees
13 shall carry the signal of and accept wagers on live racing of
14 all organization licensees. Advance deposit wagering licensees
15 shall not be permitted to accept out-of-state wagers on any
16 Illinois signal provided pursuant to this Section without the
17 approval and consent of the organization licensee providing the
18 signal. Non-host licensees may carry the host track simulcast
19 program and shall accept wagers on all races included as part
20 of the simulcast program upon which wagering is permitted. All
21 organization licensees shall provide their live signal to all
22 advance deposit wagering licensees for a simulcast commission
23 fee not to exceed 6% of the advance deposit wagering licensee's
24 Illinois handle on the organization licensee's signal without
25 prior approval by the Board. The Board may adopt rules under
26 which it may permit simulcast commission fees in excess of 6%.

1 The Board shall adopt rules limiting the interstate commission
2 fees charged to an advance deposit wagering licensee. The Board
3 shall adopt rules regarding advance deposit wagering on
4 interstate simulcast races that shall reflect, among other
5 things, the General Assembly's desire to maximize revenues to
6 the State, horsemen purses, and organizational licensees.
7 However, organization licensees providing live signals
8 pursuant to the requirements of this subsection (g) may
9 petition the Board to withhold their live signals from an
10 advance deposit wagering licensee if the organization licensee
11 discovers and the Board finds reputable or credible information
12 that the advance deposit wagering licensee is under
13 investigation by another state or federal governmental agency,
14 the advance deposit wagering licensee's license has been
15 suspended in another state, or the advance deposit wagering
16 licensee's license is in revocation proceedings in another
17 state. The organization licensee's provision of their live
18 signal to an advance deposit wagering licensee under this
19 subsection (g) pertains to wagers placed from within Illinois.
20 Advance deposit wagering licensees may place advance deposit
21 wagering terminals at wagering facilities as a convenience to
22 customers. The advance deposit wagering licensee shall not
23 charge or collect any fee from purses for the placement of the
24 advance deposit wagering terminals. The costs and expenses of
25 the host track and non-host licensees associated with
26 interstate simulcast wagering, other than the interstate

1 commission fee, shall be borne by the host track and all
2 non-host licensees incurring these costs. The interstate
3 commission fee shall not exceed 5% of Illinois handle on the
4 interstate simulcast race or races without prior approval of
5 the Board. The Board shall promulgate rules under which it may
6 permit interstate commission fees in excess of 5%. The
7 interstate commission fee and other fees charged by the sending
8 racetrack, including, but not limited to, satellite decoder
9 fees, shall be uniformly applied to the host track and all
10 non-host licensees.

11 Notwithstanding any other provision of this Act, until
12 January 1, 2013, an organization licensee may maintain a system
13 whereby advance deposit wagering may take place or an
14 organization licensee, with the consent of the horsemen
15 association representing the largest number of owners,
16 trainers, jockeys, or standardbred drivers who race horses at
17 that organization licensee's racing meeting, may contract with
18 another person to carry out a system of advance deposit
19 wagering. Such consent may not be unreasonably withheld. All
20 advance deposit wagers placed from within Illinois must be
21 placed through a Board-approved advance deposit wagering
22 licensee; no other entity may accept an advance deposit wager
23 from a person within Illinois. All advance deposit wagering is
24 subject to any rules adopted by the Board. The Board may adopt
25 rules necessary to regulate advance deposit wagering through
26 the use of emergency rulemaking in accordance with Section 5-45

1 of the Illinois Administrative Procedure Act. The General
2 Assembly finds that the adoption of rules to regulate advance
3 deposit wagering is deemed an emergency and necessary for the
4 public interest, safety, and welfare. An advance deposit
5 wagering licensee may retain all moneys as agreed to by
6 contract with an organization licensee. Any moneys retained by
7 the organization licensee from advance deposit wagering, not
8 including moneys retained by the advance deposit wagering
9 licensee, shall be paid 50% to the organization licensee's
10 purse account and 50% to the organization licensee. If more
11 than one breed races at the same race track facility, then the
12 50% of the moneys to be paid to an organization licensee's
13 purse account shall be allocated among all organization
14 licensees' purse accounts operating at that race track facility
15 proportionately based on the actual number of host days that
16 the Board grants to that breed at that race track facility in
17 the current calendar year. To the extent any fees from advance
18 deposit wagering conducted in Illinois for wagers in Illinois
19 or other states have been placed in escrow or otherwise
20 withheld from wagers pending a determination of the legality of
21 advance deposit wagering, no action shall be brought to declare
22 such wagers or the disbursement of any fees previously escrowed
23 illegal.

24 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
25 intertrack wagering licensee other than the host track may
26 supplement the host track simulcast program with

1 additional simulcast races or race programs, provided that
2 between January 1 and the third Friday in February of any
3 year, inclusive, if no live thoroughbred racing is
4 occurring in Illinois during this period, only
5 thoroughbred races may be used for supplemental interstate
6 simulcast purposes. The Board shall withhold approval for a
7 supplemental interstate simulcast only if it finds that the
8 simulcast is clearly adverse to the integrity of racing. A
9 supplemental interstate simulcast may be transmitted from
10 an intertrack wagering licensee to its affiliated non-host
11 licensees. The interstate commission fee for a
12 supplemental interstate simulcast shall be paid by the
13 non-host licensee and its affiliated non-host licensees
14 receiving the simulcast.

15 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
16 intertrack wagering licensee other than the host track may
17 receive supplemental interstate simulcasts only with the
18 consent of the host track, except when the Board finds that
19 the simulcast is clearly adverse to the integrity of
20 racing. Consent granted under this paragraph (2) to any
21 intertrack wagering licensee shall be deemed consent to all
22 non-host licensees. The interstate commission fee for the
23 supplemental interstate simulcast shall be paid by all
24 participating non-host licensees.

25 (3) Each licensee conducting interstate simulcast
26 wagering may retain, subject to the payment of all

1 applicable taxes and the purses, an amount not to exceed
2 17% of all money wagered. If any licensee conducts the
3 pari-mutuel system wagering on races conducted at
4 racetracks in another state or country, each such race or
5 race program shall be considered a separate racing day for
6 the purpose of determining the daily handle and computing
7 the privilege tax of that daily handle as provided in
8 subsection (a) of Section 27. Until January 1, 2000, from
9 the sums permitted to be retained pursuant to this
10 subsection, each intertrack wagering location licensee
11 shall pay 1% of the pari-mutuel handle wagered on simulcast
12 wagering to the Horse Racing Tax Allocation Fund, subject
13 to the provisions of subparagraph (B) of paragraph (11) of
14 subsection (h) of Section 26 of this Act.

15 (4) A licensee who receives an interstate simulcast may
16 combine its gross or net pools with pools at the sending
17 racetracks pursuant to rules established by the Board. All
18 licensees combining their gross pools at a sending
19 racetrack shall adopt the take-out percentages of the
20 sending racetrack. A licensee may also establish a separate
21 pool and takeout structure for wagering purposes on races
22 conducted at race tracks outside of the State of Illinois.
23 The licensee may permit pari-mutuel wagers placed in other
24 states or countries to be combined with its gross or net
25 wagering pools or other wagering pools.

26 (5) After the payment of the interstate commission fee

1 (except for the interstate commission fee on a supplemental
2 interstate simulcast, which shall be paid by the host track
3 and by each non-host licensee through the host-track) and
4 all applicable State and local taxes, except as provided in
5 subsection (g) of Section 27 of this Act, the remainder of
6 moneys retained from simulcast wagering pursuant to this
7 subsection (g), and Section 26.2 shall be divided as
8 follows:

9 (A) For interstate simulcast wagers made at a host
10 track, 50% to the host track and 50% to purses at the
11 host track.

12 (B) For wagers placed on interstate simulcast
13 races, supplemental simulcasts as defined in
14 subparagraphs (1) and (2), and separately pooled races
15 conducted outside of the State of Illinois made at a
16 non-host licensee, 25% to the host track, 25% to the
17 non-host licensee, and 50% to the purses at the host
18 track.

19 (6) Notwithstanding any provision in this Act to the
20 contrary, non-host licensees who derive their licenses
21 from a track located in a county with a population in
22 excess of 230,000 and that borders the Mississippi River
23 may receive supplemental interstate simulcast races at all
24 times subject to Board approval, which shall be withheld
25 only upon a finding that a supplemental interstate
26 simulcast is clearly adverse to the integrity of racing.

1 (7) Notwithstanding any provision of this Act to the
2 contrary, after payment of all applicable State and local
3 taxes and interstate commission fees, non-host licensees
4 who derive their licenses from a track located in a county
5 with a population in excess of 230,000 and that borders the
6 Mississippi River shall retain 50% of the retention from
7 interstate simulcast wagers and shall pay 50% to purses at
8 the track from which the non-host licensee derives its
9 license as follows:

10 (A) Between January 1 and the third Friday in
11 February, inclusive, if no live thoroughbred racing is
12 occurring in Illinois during this period, when the
13 interstate simulcast is a standardbred race, the purse
14 share to its standardbred purse account;

15 (B) Between January 1 and the third Friday in
16 February, inclusive, if no live thoroughbred racing is
17 occurring in Illinois during this period, and the
18 interstate simulcast is a thoroughbred race, the purse
19 share to its interstate simulcast purse pool to be
20 distributed under paragraph (10) of this subsection
21 (g);

22 (C) Between January 1 and the third Friday in
23 February, inclusive, if live thoroughbred racing is
24 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
25 the purse share from wagers made during this time
26 period to its thoroughbred purse account and between

1 6:30 p.m. and 6:30 a.m. the purse share from wagers
2 made during this time period to its standardbred purse
3 accounts;

4 (D) Between the third Saturday in February and
5 December 31, when the interstate simulcast occurs
6 between the hours of 6:30 a.m. and 6:30 p.m., the purse
7 share to its thoroughbred purse account;

8 (E) Between the third Saturday in February and
9 December 31, when the interstate simulcast occurs
10 between the hours of 6:30 p.m. and 6:30 a.m., the purse
11 share to its standardbred purse account.

12 (7.1) Notwithstanding any other provision of this Act
13 to the contrary, if no standardbred racing is conducted at
14 a racetrack located in Madison County during any calendar
15 year beginning on or after January 1, 2002, all moneys
16 derived by that racetrack from simulcast wagering and
17 inter-track wagering that (1) are to be used for purses and
18 (2) are generated between the hours of 6:30 p.m. and 6:30
19 a.m. during that calendar year shall be paid as follows:

20 (A) If the licensee that conducts horse racing at
21 that racetrack requests from the Board at least as many
22 racing dates as were conducted in calendar year 2000,
23 80% shall be paid to its thoroughbred purse account;
24 and

25 (B) Twenty percent shall be deposited into the
26 Illinois Colt Stakes Purse Distribution Fund and shall

1 be paid to purses for standardbred races for Illinois
2 conceived and foaled horses conducted at any county
3 fairgrounds. The moneys deposited into the Fund
4 pursuant to this subparagraph (B) shall be deposited
5 within 2 weeks after the day they were generated, shall
6 be in addition to and not in lieu of any other moneys
7 paid to standardbred purses under this Act, and shall
8 not be commingled with other moneys paid into that
9 Fund. The moneys deposited pursuant to this
10 subparagraph (B) shall be allocated as provided by the
11 Department of Agriculture, with the advice and
12 assistance of the Illinois Standardbred Breeders Fund
13 Advisory Board.

14 (7.2) Notwithstanding any other provision of this Act
15 to the contrary, if no thoroughbred racing is conducted at
16 a racetrack located in Madison County during any calendar
17 year beginning on or after January 1, 2002, all moneys
18 derived by that racetrack from simulcast wagering and
19 inter-track wagering that (1) are to be used for purses and
20 (2) are generated between the hours of 6:30 a.m. and 6:30
21 p.m. during that calendar year shall be deposited as
22 follows:

23 (A) If the licensee that conducts horse racing at
24 that racetrack requests from the Board at least as many
25 racing dates as were conducted in calendar year 2000,
26 80% shall be deposited into its standardbred purse

1 account; and

2 (B) Twenty percent shall be deposited into the
3 Illinois Colt Stakes Purse Distribution Fund. Moneys
4 deposited into the Illinois Colt Stakes Purse
5 Distribution Fund pursuant to this subparagraph (B)
6 shall be paid to Illinois conceived and foaled
7 thoroughbred breeders' programs and to thoroughbred
8 purses for races conducted at any county fairgrounds
9 for Illinois conceived and foaled horses at the
10 discretion of the Department of Agriculture, with the
11 advice and assistance of the Illinois Thoroughbred
12 Breeders Fund Advisory Board. The moneys deposited
13 into the Illinois Colt Stakes Purse Distribution Fund
14 pursuant to this subparagraph (B) shall be deposited
15 within 2 weeks after the day they were generated, shall
16 be in addition to and not in lieu of any other moneys
17 paid to thoroughbred purses under this Act, and shall
18 not be commingled with other moneys deposited into that
19 Fund.

20 (7.3) If no live standardbred racing is conducted at a
21 racetrack located in Madison County in calendar year 2000
22 or 2001, an organization licensee who is licensed to
23 conduct horse racing at that racetrack shall, before
24 January 1, 2002, pay all moneys derived from simulcast
25 wagering and inter-track wagering in calendar years 2000
26 and 2001 and paid into the licensee's standardbred purse

1 account as follows:

2 (A) Eighty percent to that licensee's thoroughbred
3 purse account to be used for thoroughbred purses; and

4 (B) Twenty percent to the Illinois Colt Stakes
5 Purse Distribution Fund.

6 Failure to make the payment to the Illinois Colt Stakes
7 Purse Distribution Fund before January 1, 2002 shall result
8 in the immediate revocation of the licensee's organization
9 license, inter-track wagering license, and inter-track
10 wagering location license.

11 Moneys paid into the Illinois Colt Stakes Purse
12 Distribution Fund pursuant to this paragraph (7.3) shall be
13 paid to purses for standardbred races for Illinois
14 conceived and foaled horses conducted at any county
15 fairgrounds. Moneys paid into the Illinois Colt Stakes
16 Purse Distribution Fund pursuant to this paragraph (7.3)
17 shall be used as determined by the Department of
18 Agriculture, with the advice and assistance of the Illinois
19 Standardbred Breeders Fund Advisory Board, shall be in
20 addition to and not in lieu of any other moneys paid to
21 standardbred purses under this Act, and shall not be
22 commingled with any other moneys paid into that Fund.

23 (7.4) If live standardbred racing is conducted at a
24 racetrack located in Madison County at any time in calendar
25 year 2001 before the payment required under paragraph (7.3)
26 has been made, the organization licensee who is licensed to

1 conduct racing at that racetrack shall pay all moneys
2 derived by that racetrack from simulcast wagering and
3 inter-track wagering during calendar years 2000 and 2001
4 that (1) are to be used for purses and (2) are generated
5 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
6 2001 to the standardbred purse account at that racetrack to
7 be used for standardbred purses.

8 (8) Notwithstanding any provision in this Act to the
9 contrary, an organization licensee from a track located in
10 a county with a population in excess of 230,000 and that
11 borders the Mississippi River and its affiliated non-host
12 licensees shall not be entitled to share in any retention
13 generated on racing, inter-track wagering, or simulcast
14 wagering at any other Illinois wagering facility.

15 (8.1) Notwithstanding any provisions in this Act to the
16 contrary, if 2 organization licensees are conducting
17 standardbred race meetings concurrently between the hours
18 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
19 State and local taxes and interstate commission fees, the
20 remainder of the amount retained from simulcast wagering
21 otherwise attributable to the host track and to host track
22 purses shall be split daily between the 2 organization
23 licensees and the purses at the tracks of the 2
24 organization licensees, respectively, based on each
25 organization licensee's share of the total live handle for
26 that day, provided that this provision shall not apply to

1 any non-host licensee that derives its license from a track
2 located in a county with a population in excess of 230,000
3 and that borders the Mississippi River.

4 (9) (Blank).

5 (10) (Blank).

6 (11) (Blank).

7 (12) The Board shall have authority to compel all host
8 tracks to receive the simulcast of any or all races
9 conducted at the Springfield or DuQuoin State fairgrounds
10 and include all such races as part of their simulcast
11 programs.

12 (13) Notwithstanding any other provision of this Act,
13 in the event that the total Illinois pari-mutuel handle on
14 Illinois horse races at all wagering facilities in any
15 calendar year is less than 75% of the total Illinois
16 pari-mutuel handle on Illinois horse races at all such
17 wagering facilities for calendar year 1994, then each
18 wagering facility that has an annual total Illinois
19 pari-mutuel handle on Illinois horse races that is less
20 than 75% of the total Illinois pari-mutuel handle on
21 Illinois horse races at such wagering facility for calendar
22 year 1994, shall be permitted to receive, from any amount
23 otherwise payable to the purse account at the race track
24 with which the wagering facility is affiliated in the
25 succeeding calendar year, an amount equal to 2% of the
26 differential in total Illinois pari-mutuel handle on

1 Illinois horse races at the wagering facility between that
2 calendar year in question and 1994 provided, however, that
3 a wagering facility shall not be entitled to any such
4 payment until the Board certifies in writing to the
5 wagering facility the amount to which the wagering facility
6 is entitled and a schedule for payment of the amount to the
7 wagering facility, based on: (i) the racing dates awarded
8 to the race track affiliated with the wagering facility
9 during the succeeding year; (ii) the sums available or
10 anticipated to be available in the purse account of the
11 race track affiliated with the wagering facility for purses
12 during the succeeding year; and (iii) the need to ensure
13 reasonable purse levels during the payment period. The
14 Board's certification shall be provided no later than
15 January 31 of the succeeding year. In the event a wagering
16 facility entitled to a payment under this paragraph (13) is
17 affiliated with a race track that maintains purse accounts
18 for both standardbred and thoroughbred racing, the amount
19 to be paid to the wagering facility shall be divided
20 between each purse account pro rata, based on the amount of
21 Illinois handle on Illinois standardbred and thoroughbred
22 racing respectively at the wagering facility during the
23 previous calendar year. Annually, the General Assembly
24 shall appropriate sufficient funds from the General
25 Revenue Fund to the Department of Agriculture for payment
26 into the thoroughbred and standardbred horse racing purse

1 accounts at Illinois pari-mutuel tracks. The amount paid to
2 each purse account shall be the amount certified by the
3 Illinois Racing Board in January to be transferred from
4 each account to each eligible racing facility in accordance
5 with the provisions of this Section. Beginning in the
6 calendar year in which an organization licensee that is
7 eligible to receive payment under this paragraph (13)
8 begins to receive funds from electronic gaming, the amount
9 of the payment due to all wagering facilities licensed
10 under that organization licensee under this paragraph (13)
11 shall be the amount certified by the Board in January of
12 that year. An organization licensee and its related
13 wagering facilities shall no longer be able to receive
14 payments under this paragraph (13) beginning in the year
15 subsequent to the first year in which the organization
16 licensee begins to receive funds from electronic gaming.

17 (h) The Board may approve and license the conduct of
18 inter-track wagering and simulcast wagering by inter-track
19 wagering licensees and inter-track wagering location licensees
20 subject to the following terms and conditions:

21 (1) Any person licensed to conduct a race meeting (i)
22 at a track where 60 or more days of racing were conducted
23 during the immediately preceding calendar year or where
24 over the 5 immediately preceding calendar years an average
25 of 30 or more days of racing were conducted annually may be
26 issued an inter-track wagering license; (ii) at a track

1 located in a county that is bounded by the Mississippi
2 River, which has a population of less than 150,000
3 according to the 1990 decennial census, and an average of
4 at least 60 days of racing per year between 1985 and 1993
5 may be issued an inter-track wagering license; or (iii) at
6 a track located in Madison County that conducted at least
7 100 days of live racing during the immediately preceding
8 calendar year may be issued an inter-track wagering
9 license, unless a lesser schedule of live racing is the
10 result of (A) weather, unsafe track conditions, or other
11 acts of God; (B) an agreement between the organization
12 licensee and the associations representing the largest
13 number of owners, trainers, jockeys, or standardbred
14 drivers who race horses at that organization licensee's
15 racing meeting; or (C) a finding by the Board of
16 extraordinary circumstances and that it was in the best
17 interest of the public and the sport to conduct fewer than
18 100 days of live racing. Any such person having operating
19 control of the racing facility may also receive up to 6
20 inter-track wagering location licenses. In no event shall
21 more than 6 inter-track wagering locations be established
22 for each eligible race track, except that an eligible race
23 track located in a county that has a population of more
24 than 230,000 and that is bounded by the Mississippi River
25 may establish up to 7 inter-track wagering locations. An
26 application for said license shall be filed with the Board

1 prior to such dates as may be fixed by the Board. With an
2 application for an inter-track wagering location license
3 there shall be delivered to the Board a certified check or
4 bank draft payable to the order of the Board for an amount
5 equal to \$500. The application shall be on forms prescribed
6 and furnished by the Board. The application shall comply
7 with all other rules, regulations and conditions imposed by
8 the Board in connection therewith.

9 (2) The Board shall examine the applications with
10 respect to their conformity with this Act and the rules and
11 regulations imposed by the Board. If found to be in
12 compliance with the Act and rules and regulations of the
13 Board, the Board may then issue a license to conduct
14 inter-track wagering and simulcast wagering to such
15 applicant. All such applications shall be acted upon by the
16 Board at a meeting to be held on such date as may be fixed
17 by the Board.

18 (3) In granting licenses to conduct inter-track
19 wagering and simulcast wagering, the Board shall give due
20 consideration to the best interests of the public, of horse
21 racing, and of maximizing revenue to the State.

22 (4) Prior to the issuance of a license to conduct
23 inter-track wagering and simulcast wagering, the applicant
24 shall file with the Board a bond payable to the State of
25 Illinois in the sum of \$50,000, executed by the applicant
26 and a surety company or companies authorized to do business

1 in this State, and conditioned upon (i) the payment by the
2 licensee of all taxes due under Section 27 or 27.1 and any
3 other monies due and payable under this Act, and (ii)
4 distribution by the licensee, upon presentation of the
5 winning ticket or tickets, of all sums payable to the
6 patrons of pari-mutuel pools.

7 (5) Each license to conduct inter-track wagering and
8 simulcast wagering shall specify the person to whom it is
9 issued, the dates on which such wagering is permitted, and
10 the track or location where the wagering is to be
11 conducted.

12 (6) All wagering under such license is subject to this
13 Act and to the rules and regulations from time to time
14 prescribed by the Board, and every such license issued by
15 the Board shall contain a recital to that effect.

16 (7) An inter-track wagering licensee or inter-track
17 wagering location licensee may accept wagers at the track
18 or location where it is licensed, or as otherwise provided
19 under this Act.

20 (8) Inter-track wagering or simulcast wagering shall
21 not be conducted at any track less than 4 ~~5~~ miles from a
22 track at which a racing meeting is in progress.

23 (8.1) Inter-track wagering location licensees who
24 derive their licenses from a particular organization
25 licensee shall conduct inter-track wagering and simulcast
26 wagering only at locations which are either within 90 miles

1 of that race track where the particular organization
2 licensee is licensed to conduct racing, or within 135 miles
3 of that race track where the particular organization
4 licensee is licensed to conduct racing in the case of race
5 tracks in counties of less than 400,000 that were operating
6 on or before June 1, 1986. However, inter-track wagering
7 and simulcast wagering shall not be conducted by those
8 licensees at any location within 5 miles of any race track
9 at which a horse race meeting has been licensed in the
10 current year, unless the person having operating control of
11 such race track has given its written consent to such
12 inter-track wagering location licensees, which consent
13 must be filed with the Board at or prior to the time
14 application is made.

15 (8.2) Inter-track wagering or simulcast wagering shall
16 not be conducted by an inter-track wagering location
17 licensee at any location within 500 feet of an existing
18 church, an ~~or~~ existing elementary or secondary public
19 school, or an existing elementary or secondary private
20 school registered with or recognized by the State Board of
21 Education ~~school~~, nor within 500 feet of the residences of
22 more than 50 registered voters without receiving written
23 permission from a majority of the registered voters at such
24 residences. Such written permission statements shall be
25 filed with the Board. The distance of 500 feet shall be
26 measured to the nearest part of any building used for

1 worship services, education programs, residential
2 purposes, or conducting inter-track wagering by an
3 inter-track wagering location licensee, and not to
4 property boundaries. However, inter-track wagering or
5 simulcast wagering may be conducted at a site within 500
6 feet of a church, school or residences of 50 or more
7 registered voters if such church, school or residences have
8 been erected or established, or such voters have been
9 registered, after the Board issues the original
10 inter-track wagering location license at the site in
11 question. Inter-track wagering location licensees may
12 conduct inter-track wagering and simulcast wagering only
13 in areas that are zoned for commercial or manufacturing
14 purposes or in areas for which a special use has been
15 approved by the local zoning authority. However, no license
16 to conduct inter-track wagering and simulcast wagering
17 shall be granted by the Board with respect to any
18 inter-track wagering location within the jurisdiction of
19 any local zoning authority which has, by ordinance or by
20 resolution, prohibited the establishment of an inter-track
21 wagering location within its jurisdiction. However,
22 inter-track wagering and simulcast wagering may be
23 conducted at a site if such ordinance or resolution is
24 enacted after the Board licenses the original inter-track
25 wagering location licensee for the site in question.

26 (9) (Blank).

1 (10) An inter-track wagering licensee or an
2 inter-track wagering location licensee may retain, subject
3 to the payment of the privilege taxes and the purses, an
4 amount not to exceed 17% of all money wagered. Each program
5 of racing conducted by each inter-track wagering licensee
6 or inter-track wagering location licensee shall be
7 considered a separate racing day for the purpose of
8 determining the daily handle and computing the privilege
9 tax or pari-mutuel tax on such daily handle as provided in
10 Section 27.

11 (10.1) Except as provided in subsection (g) of Section
12 27 of this Act, inter-track wagering location licensees
13 shall pay 1% of the pari-mutuel handle at each location to
14 the municipality in which such location is situated and 1%
15 of the pari-mutuel handle at each location to the county in
16 which such location is situated. In the event that an
17 inter-track wagering location licensee is situated in an
18 unincorporated area of a county, such licensee shall pay 2%
19 of the pari-mutuel handle from such location to such
20 county.

21 (10.2) Notwithstanding any other provision of this
22 Act, with respect to intertrack wagering at a race track
23 located in a county that has a population of more than
24 230,000 and that is bounded by the Mississippi River ("the
25 first race track"), or at a facility operated by an
26 inter-track wagering licensee or inter-track wagering

1 location licensee that derives its license from the
2 organization licensee that operates the first race track,
3 on races conducted at the first race track or on races
4 conducted at another Illinois race track and
5 simultaneously televised to the first race track or to a
6 facility operated by an inter-track wagering licensee or
7 inter-track wagering location licensee that derives its
8 license from the organization licensee that operates the
9 first race track, those moneys shall be allocated as
10 follows:

11 (A) That portion of all moneys wagered on
12 standardbred racing that is required under this Act to
13 be paid to purses shall be paid to purses for
14 standardbred races.

15 (B) That portion of all moneys wagered on
16 thoroughbred racing that is required under this Act to
17 be paid to purses shall be paid to purses for
18 thoroughbred races.

19 (11) (A) After payment of the privilege or pari-mutuel
20 tax, any other applicable taxes, and the costs and expenses
21 in connection with the gathering, transmission, and
22 dissemination of all data necessary to the conduct of
23 inter-track wagering, the remainder of the monies retained
24 under either Section 26 or Section 26.2 of this Act by the
25 inter-track wagering licensee on inter-track wagering
26 shall be allocated with 50% to be split between the 2

1 participating licensees and 50% to purses, except that an
2 intertrack wagering licensee that derives its license from
3 a track located in a county with a population in excess of
4 230,000 and that borders the Mississippi River shall not
5 divide any remaining retention with the Illinois
6 organization licensee that provides the race or races, and
7 an intertrack wagering licensee that accepts wagers on
8 races conducted by an organization licensee that conducts a
9 race meet in a county with a population in excess of
10 230,000 and that borders the Mississippi River shall not
11 divide any remaining retention with that organization
12 licensee.

13 (B) From the sums permitted to be retained pursuant to
14 this Act each inter-track wagering location licensee shall
15 pay (i) the privilege or pari-mutuel tax to the State; (ii)
16 4.75% of the pari-mutuel handle on intertrack wagering at
17 such location on races as purses, except that an intertrack
18 wagering location licensee that derives its license from a
19 track located in a county with a population in excess of
20 230,000 and that borders the Mississippi River shall retain
21 all purse moneys for its own purse account consistent with
22 distribution set forth in this subsection (h), and
23 intertrack wagering location licensees that accept wagers
24 on races conducted by an organization licensee located in a
25 county with a population in excess of 230,000 and that
26 borders the Mississippi River shall distribute all purse

1 moneys to purses at the operating host track; (iii) until
2 January 1, 2000, except as provided in subsection (g) of
3 Section 27 of this Act, 1% of the pari-mutuel handle
4 wagered on inter-track wagering and simulcast wagering at
5 each inter-track wagering location licensee facility to
6 the Horse Racing Tax Allocation Fund, provided that, to the
7 extent the total amount collected and distributed to the
8 Horse Racing Tax Allocation Fund under this subsection (h)
9 during any calendar year exceeds the amount collected and
10 distributed to the Horse Racing Tax Allocation Fund during
11 calendar year 1994, that excess amount shall be
12 redistributed (I) to all inter-track wagering location
13 licensees, based on each licensee's pro-rata share of the
14 total handle from inter-track wagering and simulcast
15 wagering for all inter-track wagering location licensees
16 during the calendar year in which this provision is
17 applicable; then (II) the amounts redistributed to each
18 inter-track wagering location licensee as described in
19 subpart (I) shall be further redistributed as provided in
20 subparagraph (B) of paragraph (5) of subsection (g) of this
21 Section 26 provided first, that the shares of those
22 amounts, which are to be redistributed to the host track or
23 to purses at the host track under subparagraph (B) of
24 paragraph (5) of subsection (g) of this Section 26 shall be
25 redistributed based on each host track's pro rata share of
26 the total inter-track wagering and simulcast wagering

1 handle at all host tracks during the calendar year in
2 question, and second, that any amounts redistributed as
3 described in part (I) to an inter-track wagering location
4 licensee that accepts wagers on races conducted by an
5 organization licensee that conducts a race meet in a county
6 with a population in excess of 230,000 and that borders the
7 Mississippi River shall be further redistributed as
8 provided in subparagraphs (D) and (E) of paragraph (7) of
9 subsection (g) of this Section 26, with the portion of that
10 further redistribution allocated to purses at that
11 organization licensee to be divided between standardbred
12 purses and thoroughbred purses based on the amounts
13 otherwise allocated to purses at that organization
14 licensee during the calendar year in question; and (iv) 8%
15 of the pari-mutuel handle on inter-track wagering wagered
16 at such location to satisfy all costs and expenses of
17 conducting its wagering. The remainder of the monies
18 retained by the inter-track wagering location licensee
19 shall be allocated 40% to the location licensee and 60% to
20 the organization licensee which provides the Illinois
21 races to the location, except that an intertrack wagering
22 location licensee that derives its license from a track
23 located in a county with a population in excess of 230,000
24 and that borders the Mississippi River shall not divide any
25 remaining retention with the organization licensee that
26 provides the race or races and an intertrack wagering

1 location licensee that accepts wagers on races conducted by
2 an organization licensee that conducts a race meet in a
3 county with a population in excess of 230,000 and that
4 borders the Mississippi River shall not divide any
5 remaining retention with the organization licensee.
6 Notwithstanding the provisions of clauses (ii) and (iv) of
7 this paragraph, in the case of the additional inter-track
8 wagering location licenses authorized under paragraph (1)
9 of this subsection (h) by this amendatory Act of 1991,
10 those licensees shall pay the following amounts as purses:
11 during the first 12 months the licensee is in operation,
12 5.25% of the pari-mutuel handle wagered at the location on
13 races; during the second 12 months, 5.25%; during the third
14 12 months, 5.75%; during the fourth 12 months, 6.25%; and
15 during the fifth 12 months and thereafter, 6.75%. The
16 following amounts shall be retained by the licensee to
17 satisfy all costs and expenses of conducting its wagering:
18 during the first 12 months the licensee is in operation,
19 8.25% of the pari-mutuel handle wagered at the location;
20 during the second 12 months, 8.25%; during the third 12
21 months, 7.75%; during the fourth 12 months, 7.25%; and
22 during the fifth 12 months and thereafter, 6.75%. For
23 additional intertrack wagering location licensees
24 authorized under this amendatory Act of 1995, purses for
25 the first 12 months the licensee is in operation shall be
26 5.75% of the pari-mutuel wagered at the location, purses

1 for the second 12 months the licensee is in operation shall
2 be 6.25%, and purses thereafter shall be 6.75%. For
3 additional intertrack location licensees authorized under
4 this amendatory Act of 1995, the licensee shall be allowed
5 to retain to satisfy all costs and expenses: 7.75% of the
6 pari-mutuel handle wagered at the location during its first
7 12 months of operation, 7.25% during its second 12 months
8 of operation, and 6.75% thereafter.

9 (C) There is hereby created the Horse Racing Tax
10 Allocation Fund which shall remain in existence until
11 December 31, 1999. Moneys remaining in the Fund after
12 December 31, 1999 shall be paid into the General Revenue
13 Fund. Until January 1, 2000, all monies paid into the Horse
14 Racing Tax Allocation Fund pursuant to this paragraph (11)
15 by inter-track wagering location licensees located in park
16 districts of 500,000 population or less, or in a
17 municipality that is not included within any park district
18 but is included within a conservation district and is the
19 county seat of a county that (i) is contiguous to the state
20 of Indiana and (ii) has a 1990 population of 88,257
21 according to the United States Bureau of the Census, and
22 operating on May 1, 1994 shall be allocated by
23 appropriation as follows:

24 Two-sevenths to the Department of Agriculture.

25 Fifty percent of this two-sevenths shall be used to
26 promote the Illinois horse racing and breeding

1 industry, and shall be distributed by the Department of
2 Agriculture upon the advice of a 9-member committee
3 appointed by the Governor consisting of the following
4 members: the Director of Agriculture, who shall serve
5 as chairman; 2 representatives of organization
6 licensees conducting thoroughbred race meetings in
7 this State, recommended by those licensees; 2
8 representatives of organization licensees conducting
9 standardbred race meetings in this State, recommended
10 by those licensees; a representative of the Illinois
11 Thoroughbred Breeders and Owners Foundation,
12 recommended by that Foundation; a representative of
13 the Illinois Standardbred Owners and Breeders
14 Association, recommended by that Association; a
15 representative of the Horsemen's Benevolent and
16 Protective Association or any successor organization
17 thereto established in Illinois comprised of the
18 largest number of owners and trainers, recommended by
19 that Association or that successor organization; and a
20 representative of the Illinois Harness Horsemen's
21 Association, recommended by that Association.
22 Committee members shall serve for terms of 2 years,
23 commencing January 1 of each even-numbered year. If a
24 representative of any of the above-named entities has
25 not been recommended by January 1 of any even-numbered
26 year, the Governor shall appoint a committee member to

1 fill that position. Committee members shall receive no
2 compensation for their services as members but shall be
3 reimbursed for all actual and necessary expenses and
4 disbursements incurred in the performance of their
5 official duties. The remaining 50% of this
6 two-sevenths shall be distributed to county fairs for
7 premiums and rehabilitation as set forth in the
8 Agricultural Fair Act;

9 Four-sevenths to park districts or municipalities
10 that do not have a park district of 500,000 population
11 or less for museum purposes (if an inter-track wagering
12 location licensee is located in such a park district)
13 or to conservation districts for museum purposes (if an
14 inter-track wagering location licensee is located in a
15 municipality that is not included within any park
16 district but is included within a conservation
17 district and is the county seat of a county that (i) is
18 contiguous to the state of Indiana and (ii) has a 1990
19 population of 88,257 according to the United States
20 Bureau of the Census, except that if the conservation
21 district does not maintain a museum, the monies shall
22 be allocated equally between the county and the
23 municipality in which the inter-track wagering
24 location licensee is located for general purposes) or
25 to a municipal recreation board for park purposes (if
26 an inter-track wagering location licensee is located

1 in a municipality that is not included within any park
2 district and park maintenance is the function of the
3 municipal recreation board and the municipality has a
4 1990 population of 9,302 according to the United States
5 Bureau of the Census); provided that the monies are
6 distributed to each park district or conservation
7 district or municipality that does not have a park
8 district in an amount equal to four-sevenths of the
9 amount collected by each inter-track wagering location
10 licensee within the park district or conservation
11 district or municipality for the Fund. Monies that were
12 paid into the Horse Racing Tax Allocation Fund before
13 the effective date of this amendatory Act of 1991 by an
14 inter-track wagering location licensee located in a
15 municipality that is not included within any park
16 district but is included within a conservation
17 district as provided in this paragraph shall, as soon
18 as practicable after the effective date of this
19 amendatory Act of 1991, be allocated and paid to that
20 conservation district as provided in this paragraph.
21 Any park district or municipality not maintaining a
22 museum may deposit the monies in the corporate fund of
23 the park district or municipality where the
24 inter-track wagering location is located, to be used
25 for general purposes; and

26 One-seventh to the Agricultural Premium Fund to be

1 used for distribution to agricultural home economics
2 extension councils in accordance with "An Act in
3 relation to additional support and finances for the
4 Agricultural and Home Economic Extension Councils in
5 the several counties of this State and making an
6 appropriation therefor", approved July 24, 1967.

7 Until January 1, 2000, all other monies paid into the
8 Horse Racing Tax Allocation Fund pursuant to this paragraph
9 (11) shall be allocated by appropriation as follows:

10 Two-sevenths to the Department of Agriculture.
11 Fifty percent of this two-sevenths shall be used to
12 promote the Illinois horse racing and breeding
13 industry, and shall be distributed by the Department of
14 Agriculture upon the advice of a 9-member committee
15 appointed by the Governor consisting of the following
16 members: the Director of Agriculture, who shall serve
17 as chairman; 2 representatives of organization
18 licensees conducting thoroughbred race meetings in
19 this State, recommended by those licensees; 2
20 representatives of organization licensees conducting
21 standardbred race meetings in this State, recommended
22 by those licensees; a representative of the Illinois
23 Thoroughbred Breeders and Owners Foundation,
24 recommended by that Foundation; a representative of
25 the Illinois Standardbred Owners and Breeders
26 Association, recommended by that Association; a

1 representative of the Horsemen's Benevolent and
2 Protective Association or any successor organization
3 thereto established in Illinois comprised of the
4 largest number of owners and trainers, recommended by
5 that Association or that successor organization; and a
6 representative of the Illinois Harness Horsemen's
7 Association, recommended by that Association.
8 Committee members shall serve for terms of 2 years,
9 commencing January 1 of each even-numbered year. If a
10 representative of any of the above-named entities has
11 not been recommended by January 1 of any even-numbered
12 year, the Governor shall appoint a committee member to
13 fill that position. Committee members shall receive no
14 compensation for their services as members but shall be
15 reimbursed for all actual and necessary expenses and
16 disbursements incurred in the performance of their
17 official duties. The remaining 50% of this
18 two-sevenths shall be distributed to county fairs for
19 premiums and rehabilitation as set forth in the
20 Agricultural Fair Act;

21 Four-sevenths to museums and aquariums located in
22 park districts of over 500,000 population; provided
23 that the monies are distributed in accordance with the
24 previous year's distribution of the maintenance tax
25 for such museums and aquariums as provided in Section 2
26 of the Park District Aquarium and Museum Act; and

1 One-seventh to the Agricultural Premium Fund to be
2 used for distribution to agricultural home economics
3 extension councils in accordance with "An Act in
4 relation to additional support and finances for the
5 Agricultural and Home Economic Extension Councils in
6 the several counties of this State and making an
7 appropriation therefor", approved July 24, 1967. This
8 subparagraph (C) shall be inoperative and of no force
9 and effect on and after January 1, 2000.

10 (D) Except as provided in paragraph (11) of this
11 subsection (h), with respect to purse allocation from
12 intertrack wagering, the monies so retained shall be
13 divided as follows:

14 (i) If the inter-track wagering licensee,
15 except an intertrack wagering licensee that
16 derives its license from an organization licensee
17 located in a county with a population in excess of
18 230,000 and bounded by the Mississippi River, is
19 not conducting its own race meeting during the same
20 dates, then the entire purse allocation shall be to
21 purses at the track where the races wagered on are
22 being conducted.

23 (ii) If the inter-track wagering licensee,
24 except an intertrack wagering licensee that
25 derives its license from an organization licensee
26 located in a county with a population in excess of

1 230,000 and bounded by the Mississippi River, is
2 also conducting its own race meeting during the
3 same dates, then the purse allocation shall be as
4 follows: 50% to purses at the track where the races
5 wagered on are being conducted; 50% to purses at
6 the track where the inter-track wagering licensee
7 is accepting such wagers.

8 (iii) If the inter-track wagering is being
9 conducted by an inter-track wagering location
10 licensee, except an intertrack wagering location
11 licensee that derives its license from an
12 organization licensee located in a county with a
13 population in excess of 230,000 and bounded by the
14 Mississippi River, the entire purse allocation for
15 Illinois races shall be to purses at the track
16 where the race meeting being wagered on is being
17 held.

18 (12) The Board shall have all powers necessary and
19 proper to fully supervise and control the conduct of
20 inter-track wagering and simulcast wagering by inter-track
21 wagering licensees and inter-track wagering location
22 licensees, including, but not limited to the following:

23 (A) The Board is vested with power to promulgate
24 reasonable rules and regulations for the purpose of
25 administering the conduct of this wagering and to
26 prescribe reasonable rules, regulations and conditions

1 under which such wagering shall be held and conducted.
2 Such rules and regulations are to provide for the
3 prevention of practices detrimental to the public
4 interest and for the best interests of said wagering
5 and to impose penalties for violations thereof.

6 (B) The Board, and any person or persons to whom it
7 delegates this power, is vested with the power to enter
8 the facilities of any licensee to determine whether
9 there has been compliance with the provisions of this
10 Act and the rules and regulations relating to the
11 conduct of such wagering.

12 (C) The Board, and any person or persons to whom it
13 delegates this power, may eject or exclude from any
14 licensee's facilities, any person whose conduct or
15 reputation is such that his presence on such premises
16 may, in the opinion of the Board, call into the
17 question the honesty and integrity of, or interfere
18 with the orderly conduct of such wagering; provided,
19 however, that no person shall be excluded or ejected
20 from such premises solely on the grounds of race,
21 color, creed, national origin, ancestry, or sex.

22 (D) (Blank).

23 (E) The Board is vested with the power to appoint
24 delegates to execute any of the powers granted to it
25 under this Section for the purpose of administering
26 this wagering and any rules and regulations

1 promulgated in accordance with this Act.

2 (F) The Board shall name and appoint a State
3 director of this wagering who shall be a representative
4 of the Board and whose duty it shall be to supervise
5 the conduct of inter-track wagering as may be provided
6 for by the rules and regulations of the Board; such
7 rules and regulation shall specify the method of
8 appointment and the Director's powers, authority and
9 duties.

10 (G) The Board is vested with the power to impose
11 civil penalties of up to \$5,000 against individuals and
12 up to \$10,000 against licensees for each violation of
13 any provision of this Act relating to the conduct of
14 this wagering, any rules adopted by the Board, any
15 order of the Board or any other action which in the
16 Board's discretion, is a detriment or impediment to
17 such wagering.

18 (13) The Department of Agriculture may enter into
19 agreements with licensees authorizing such licensees to
20 conduct inter-track wagering on races to be held at the
21 licensed race meetings conducted by the Department of
22 Agriculture. Such agreement shall specify the races of the
23 Department of Agriculture's licensed race meeting upon
24 which the licensees will conduct wagering. In the event
25 that a licensee conducts inter-track pari-mutuel wagering
26 on races from the Illinois State Fair or DuQuoin State Fair

1 which are in addition to the licensee's previously approved
2 racing program, those races shall be considered a separate
3 racing day for the purpose of determining the daily handle
4 and computing the privilege or pari-mutuel tax on that
5 daily handle as provided in Sections 27 and 27.1. Such
6 agreements shall be approved by the Board before such
7 wagering may be conducted. In determining whether to grant
8 approval, the Board shall give due consideration to the
9 best interests of the public and of horse racing. The
10 provisions of paragraphs (1), (8), (8.1), and (8.2) of
11 subsection (h) of this Section which are not specified in
12 this paragraph (13) shall not apply to licensed race
13 meetings conducted by the Department of Agriculture at the
14 Illinois State Fair in Sangamon County or the DuQuoin State
15 Fair in Perry County, or to any wagering conducted on those
16 race meetings.

17 (i) Notwithstanding the other provisions of this Act, the
18 conduct of wagering at wagering facilities is authorized on all
19 days, except as limited by subsection (b) of Section 19 of this
20 Act.

21 (Source: P.A. 96-762, eff. 8-25-09; 97-1060, eff. 8-24-12.)

22 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

23 Sec. 27. (a) In addition to the organization license fee
24 provided by this Act, until January 1, 2000, a graduated
25 privilege tax is hereby imposed for conducting the pari-mutuel

1 system of wagering permitted under this Act. Until January 1,
2 2000, except as provided in subsection (g) of Section 27 of
3 this Act, all of the breakage of each racing day held by any
4 licensee in the State shall be paid to the State. Until January
5 1, 2000, such daily graduated privilege tax shall be paid by
6 the licensee from the amount permitted to be retained under
7 this Act. Until January 1, 2000, each day's graduated privilege
8 tax, breakage, and Horse Racing Tax Allocation funds shall be
9 remitted to the Department of Revenue within 48 hours after the
10 close of the racing day upon which it is assessed or within
11 such other time as the Board prescribes. The privilege tax
12 hereby imposed, until January 1, 2000, shall be a flat tax at
13 the rate of 2% of the daily pari-mutuel handle except as
14 provided in Section 27.1.

15 In addition, every organization licensee, except as
16 provided in Section 27.1 of this Act, which conducts multiple
17 wagering shall pay, until January 1, 2000, as a privilege tax
18 on multiple wagers an amount equal to 1.25% of all moneys
19 wagered each day on such multiple wagers, plus an additional
20 amount equal to 3.5% of the amount wagered each day on any
21 other multiple wager which involves a single betting interest
22 on 3 or more horses. The licensee shall remit the amount of
23 such taxes to the Department of Revenue within 48 hours after
24 the close of the racing day on which it is assessed or within
25 such other time as the Board prescribes.

26 This subsection (a) shall be inoperative and of no force

1 and effect on and after January 1, 2000.

2 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
3 at the rate of 1.5% of the daily pari-mutuel handle is imposed
4 at all pari-mutuel wagering facilities and on advance deposit
5 wagering from a location other than a wagering facility, except
6 as otherwise provided for in this subsection (a-5). In addition
7 to the pari-mutuel tax imposed on advance deposit wagering
8 pursuant to this subsection (a-5), beginning on the effective
9 date of this amendatory Act of the 97th General Assembly until
10 January 1, 2013, an additional pari-mutuel tax at the rate of
11 0.25% shall be imposed on advance deposit wagering. Until
12 August 25, 2012, the additional 0.25% pari-mutuel tax imposed
13 on advance deposit wagering by Public Act 96-972 shall be
14 deposited into the Quarter Horse Purse Fund, which shall be
15 created as a non-appropriated trust fund administered by the
16 Board for grants to thoroughbred organization licensees for
17 payment of purses for quarter horse races conducted by the
18 organization licensee. Beginning on August 26, 2012, the
19 additional 0.25% pari-mutuel tax imposed on advance deposit
20 wagering shall be deposited equally into the standardbred purse
21 accounts of organization licensees conducting standardbred
22 racing. Thoroughbred organization licensees may petition the
23 Board to conduct quarter horse racing and receive purse grants
24 from the Quarter Horse Purse Fund. The Board shall have
25 complete discretion in distributing the Quarter Horse Purse
26 Fund to the petitioning organization licensees. Beginning on

1 the effective date of this amendatory Act of the 96th General
2 Assembly and until moneys deposited pursuant to Section 54 are
3 distributed and received, a pari-mutuel tax at the rate of
4 0.75% of the daily pari-mutuel handle is imposed at a
5 pari-mutuel facility whose license is derived from a track
6 located in a county that borders the Mississippi River and
7 conducted live racing in the previous year. After moneys
8 deposited pursuant to Section 54 are distributed and received,
9 a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel
10 handle is imposed at a pari-mutuel facility whose license is
11 derived from a track located in a county that borders the
12 Mississippi River and conducted live racing in the previous
13 year. The pari-mutuel tax imposed by this subsection (a-5)
14 shall be remitted to the Department of Revenue within 48 hours
15 after the close of the racing day upon which it is assessed or
16 within such other time as the Board prescribes.

17 (a-10) Beginning on the date when an organization licensee
18 begins conducting electronic gaming pursuant to an electronic
19 gaming license, the following pari-mutuel tax is imposed upon
20 an organization licensee on Illinois races at the licensee's
21 race track:

22 1.5% of the pari-mutuel handle at or below the average
23 daily pari-mutuel handle for 2011.

24 2% of the pari-mutuel handle above the average daily
25 pari-mutuel handle for 2011 up to 125% of the average daily
26 pari-mutuel handle for 2011.

1 2.5% of the pari-mutuel handle 125% or more above the
2 average daily pari-mutuel handle for 2011 up to 150% of the
3 average daily pari-mutuel handle for 2011.

4 3% of the pari-mutuel handle 150% or more above the
5 average daily pari-mutuel handle for 2011 up to 175% of the
6 average daily pari-mutuel handle for 2011.

7 3.5% of the pari-mutuel handle 175% or more above the
8 average daily pari-mutuel handle for 2011.

9 The pari-mutuel tax imposed by this subsection (a-10) shall
10 be remitted to the Board within 48 hours after the close of the
11 racing day upon which it is assessed or within such other time
12 as the Board prescribes.

13 (b) On or before December 31, 1999, in the event that any
14 organization licensee conducts 2 separate programs of races on
15 any day, each such program shall be considered a separate
16 racing day for purposes of determining the daily handle and
17 computing the privilege tax on such daily handle as provided in
18 subsection (a) of this Section.

19 (c) Licensees shall at all times keep accurate books and
20 records of all monies wagered on each day of a race meeting and
21 of the taxes paid to the Department of Revenue under the
22 provisions of this Section. The Board or its duly authorized
23 representative or representatives shall at all reasonable
24 times have access to such records for the purpose of examining
25 and checking the same and ascertaining whether the proper
26 amount of taxes is being paid as provided. The Board shall

1 require verified reports and a statement of the total of all
2 monies wagered daily at each wagering facility upon which the
3 taxes are assessed and may prescribe forms upon which such
4 reports and statement shall be made.

5 (d) Before a license is issued or re-issued, the licensee
6 shall post a bond in the sum of \$500,000 to the State of
7 Illinois. The bond shall be used to guarantee that the licensee
8 faithfully makes the payments, keeps the books and records and
9 makes reports, and conducts games of chance in conformity with
10 this Act and the rules adopted by the Board. The bond shall not
11 be canceled by a surety on less than 30 days' notice in writing
12 to the Board. If a bond is canceled and the licensee fails to
13 file a new bond with the Board in the required amount on or
14 before the effective date of cancellation, the licensee's
15 license shall be revoked. The total and aggregate liability of
16 the surety on the bond is limited to the amount specified in
17 the bond. ~~Any licensee failing or refusing to pay the amount of~~
18 ~~any tax due under this Section shall be guilty of a business~~
19 ~~offense and upon conviction shall be fined not more than \$5,000~~
20 ~~in addition to the amount found due as tax under this Section.~~
21 ~~Each day's violation shall constitute a separate offense. All~~
22 ~~finer paid into Court by a licensee hereunder shall be~~
23 ~~transmitted and paid over by the Clerk of the Court to the~~
24 ~~Board.~~

25 (e) No other license fee, privilege tax, excise tax, or
26 racing fee, except as provided in this Act, shall be assessed

1 or collected from any such licensee by the State.

2 (f) No other license fee, privilege tax, excise tax or
3 racing fee shall be assessed or collected from any such
4 licensee by units of local government except as provided in
5 paragraph 10.1 of subsection (h) and subsection (f) of Section
6 26 of this Act. However, any municipality that has a Board
7 licensed horse race meeting at a race track wholly within its
8 corporate boundaries or a township that has a Board licensed
9 horse race meeting at a race track wholly within the
10 unincorporated area of the township may charge a local
11 amusement tax not to exceed 10¢ per admission to such horse
12 race meeting by the enactment of an ordinance. However, any
13 municipality or county that has a Board licensed inter-track
14 wagering location facility wholly within its corporate
15 boundaries may each impose an admission fee not to exceed \$1.00
16 per admission to such inter-track wagering location facility,
17 so that a total of not more than \$2.00 per admission may be
18 imposed. Except as provided in subparagraph (g) of Section 27
19 of this Act, the inter-track wagering location licensee shall
20 collect any and all such fees and within 48 hours remit the
21 fees to the Board, which shall, pursuant to rule, cause the
22 fees to be distributed to the county or municipality.

23 (g) Notwithstanding any provision in this Act to the
24 contrary, if in any calendar year the total taxes and fees from
25 wagering on live racing and from inter-track wagering required
26 to be collected from licensees and distributed under this Act

1 to all State and local governmental authorities exceeds the
2 amount of such taxes and fees distributed to each State and
3 local governmental authority to which each State and local
4 governmental authority was entitled under this Act for calendar
5 year 1994, then the first \$11 million of that excess amount
6 shall be allocated at the earliest possible date for
7 distribution as purse money for the succeeding calendar year.
8 Upon reaching the 1994 level, and until the excess amount of
9 taxes and fees exceeds \$11 million, the Board shall direct all
10 licensees to cease paying the subject taxes and fees and the
11 Board shall direct all licensees to allocate any such excess
12 amount for purses as follows:

13 (i) the excess amount shall be initially divided
14 between thoroughbred and standardbred purses based on the
15 thoroughbred's and standardbred's respective percentages
16 of total Illinois live wagering in calendar year 1994;

17 (ii) each thoroughbred and standardbred organization
18 licensee issued an organization licensee in that
19 succeeding allocation year shall be allocated an amount
20 equal to the product of its percentage of total Illinois
21 live thoroughbred or standardbred wagering in calendar
22 year 1994 (the total to be determined based on the sum of
23 1994 on-track wagering for all organization licensees
24 issued organization licenses in both the allocation year
25 and the preceding year) multiplied by the total amount
26 allocated for standardbred or thoroughbred purses,

1 provided that the first \$1,500,000 of the amount allocated
2 to standardbred purses under item (i) shall be allocated to
3 the Department of Agriculture to be expended with the
4 assistance and advice of the Illinois Standardbred
5 Breeders Funds Advisory Board for the purposes listed in
6 subsection (g) of Section 31 of this Act, before the amount
7 allocated to standardbred purses under item (i) is
8 allocated to standardbred organization licensees in the
9 succeeding allocation year.

10 To the extent the excess amount of taxes and fees to be
11 collected and distributed to State and local governmental
12 authorities exceeds \$11 million, that excess amount shall be
13 collected and distributed to State and local authorities as
14 provided for under this Act.

15 (Source: P.A. 96-762, eff. 8-25-09; 96-1287, eff. 7-26-10;
16 97-1060, eff. 8-24-12.)

17 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

18 Sec. 30. (a) The General Assembly declares that it is the
19 policy of this State to encourage the breeding of thoroughbred
20 horses in this State and the ownership of such horses by
21 residents of this State in order to provide for: sufficient
22 numbers of high quality thoroughbred horses to participate in
23 thoroughbred racing meetings in this State, and to establish
24 and preserve the agricultural and commercial benefits of such
25 breeding and racing industries to the State of Illinois. It is

1 the intent of the General Assembly to further this policy by
2 the provisions of this Act.

3 (b) Each organization licensee conducting a thoroughbred
4 racing meeting pursuant to this Act shall provide at least two
5 races each day limited to Illinois conceived and foaled horses
6 or Illinois foaled horses or both. A minimum of 6 races shall
7 be conducted each week limited to Illinois conceived and foaled
8 or Illinois foaled horses or both. No horses shall be permitted
9 to start in such races unless duly registered under the rules
10 of the Department of Agriculture.

11 (c) Conditions of races under subsection (b) shall be
12 commensurate with past performance, quality, and class of
13 Illinois conceived and foaled and Illinois foaled horses
14 available. If, however, sufficient competition cannot be had
15 among horses of that class on any day, the races may, with
16 consent of the Board, be eliminated for that day and substitute
17 races provided.

18 (d) There is hereby created a special fund of the State
19 Treasury to be known as the Illinois Thoroughbred Breeders
20 Fund.

21 Beginning on the effective date of this amendatory Act of
22 the 98th General Assembly, the Illinois Thoroughbred Breeders
23 Fund shall become a non-appropriated trust fund held separately
24 from State moneys. Expenditures from this Fund shall no longer
25 be subject to appropriation.

26 Except as provided in subsection (g) of Section 27 of this

1 Act, 8.5% of all the monies received by the State as privilege
2 taxes on Thoroughbred racing meetings shall be paid into the
3 Illinois Thoroughbred Breeders Fund.

4 Notwithstanding any provision of law to the contrary,
5 amounts deposited into the Illinois Thoroughbred Breeders Fund
6 from revenues generated by electronic gaming after the
7 effective date of this amendatory Act of the 98th General
8 Assembly shall be in addition to tax and fee amounts paid under
9 this Section for calendar year 2013 and thereafter.

10 (e) The Illinois Thoroughbred Breeders Fund shall be
11 administered by the Department of Agriculture with the advice
12 and assistance of the Advisory Board created in subsection (f)
13 of this Section.

14 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
15 shall consist of the Director of the Department of Agriculture,
16 who shall serve as Chairman; a member of the Illinois Racing
17 Board, designated by it; 2 representatives of the organization
18 licensees conducting thoroughbred racing meetings, recommended
19 by them; 2 representatives of the Illinois Thoroughbred
20 Breeders and Owners Foundation, recommended by it; one
21 representative ~~and 2 representatives~~ of the Horsemen's
22 Benevolent Protective Association; and one representative from
23 the Illinois Thoroughbred Horsemen's Association ~~or any~~
24 ~~successor organization established in Illinois comprised of~~
25 ~~the largest number of owners and trainers, recommended by it,~~
26 ~~with one representative of the Horsemen's Benevolent and~~

1 ~~Protective Association to come from its Illinois Division, and~~
2 ~~one from its Chicago Division.~~ Advisory Board members shall
3 serve for 2 years commencing January 1 of each odd numbered
4 year. If representatives of the organization licensees
5 conducting thoroughbred racing meetings, the Illinois
6 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
7 Horsemen's Benevolent Protection Association, and the Illinois
8 Thoroughbred Horsemen's Association have not been recommended
9 by January 1, of each odd numbered year, the Director of the
10 Department of Agriculture shall make an appointment for the
11 organization failing to so recommend a member of the Advisory
12 Board. Advisory Board members shall receive no compensation for
13 their services as members but shall be reimbursed for all
14 actual and necessary expenses and disbursements incurred in the
15 execution of their official duties.

16 (g) ~~No monies shall be expended from the Illinois~~
17 ~~Thoroughbred Breeders Fund except as appropriated by the~~
18 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
19 Illinois Thoroughbred Breeders Fund shall be expended by the
20 Department of Agriculture, with the advice and assistance of
21 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
22 following purposes only:

23 (1) To provide purse supplements to owners of horses
24 participating in races limited to Illinois conceived and
25 foaled and Illinois foaled horses. Any such purse
26 supplements shall not be included in and shall be paid in

1 addition to any purses, stakes, or breeders' awards offered
2 by each organization licensee as determined by agreement
3 between such organization licensee and an organization
4 representing the horsemen. No monies from the Illinois
5 Thoroughbred Breeders Fund shall be used to provide purse
6 supplements for claiming races in which the minimum
7 claiming price is less than \$7,500.

8 (2) To provide stakes and awards to be paid to the
9 owners of the winning horses in certain races limited to
10 Illinois conceived and foaled and Illinois foaled horses
11 designated as stakes races.

12 (2.5) To provide an award to the owner or owners of an
13 Illinois conceived and foaled or Illinois foaled horse that
14 wins a maiden special weight, an allowance, overnight
15 handicap race, or claiming race with claiming price of
16 \$10,000 or more providing the race is not restricted to
17 Illinois conceived and foaled or Illinois foaled horses.
18 Awards shall also be provided to the owner or owners of
19 Illinois conceived and foaled and Illinois foaled horses
20 that place second or third in those races. To the extent
21 that additional moneys are required to pay the minimum
22 additional awards of 40% of the purse the horse earns for
23 placing first, second or third in those races for Illinois
24 foaled horses and of 60% of the purse the horse earns for
25 placing first, second or third in those races for Illinois
26 conceived and foaled horses, those moneys shall be provided

1 from the purse account at the track where earned.

2 (3) To provide stallion awards to the owner or owners
3 of any stallion that is duly registered with the Illinois
4 Thoroughbred Breeders Fund Program ~~prior to the effective~~
5 ~~date of this amendatory Act of 1995~~ whose duly registered
6 Illinois conceived and foaled offspring wins a race
7 conducted at an Illinois thoroughbred racing meeting other
8 than a claiming race, provided that the stallion stood
9 service within Illinois at the time the offspring was
10 conceived and that the stallion did not stand for service
11 outside of Illinois at any time during the year in which
12 the offspring was conceived. ~~Such award shall not be paid~~
13 ~~to the owner or owners of an Illinois stallion that served~~
14 ~~outside this State at any time during the calendar year in~~
15 ~~which such race was conducted.~~

16 (4) To provide \$75,000 annually for purses to be
17 distributed to county fairs that provide for the running of
18 races during each county fair exclusively for the
19 thoroughbreds conceived and foaled in Illinois. The
20 conditions of the races shall be developed by the county
21 fair association and reviewed by the Department with the
22 advice and assistance of the Illinois Thoroughbred
23 Breeders Fund Advisory Board. There shall be no wagering of
24 any kind on the running of Illinois conceived and foaled
25 races at county fairs.

26 (4.1) To provide purse money for an Illinois stallion

1 stakes program.

2 (5) No less than 90% ~~80%~~ of all monies appropriated
3 from the Illinois Thoroughbred Breeders Fund shall be
4 expended for the purposes in (1), (2), (2.5), (3), (4),
5 (4.1), and (5) as shown above.

6 (6) To provide for educational programs regarding the
7 thoroughbred breeding industry.

8 (7) To provide for research programs concerning the
9 health, development and care of the thoroughbred horse.

10 (8) To provide for a scholarship and training program
11 for students of equine veterinary medicine.

12 (9) To provide for dissemination of public information
13 designed to promote the breeding of thoroughbred horses in
14 Illinois.

15 (10) To provide for all expenses incurred in the
16 administration of the Illinois Thoroughbred Breeders Fund.

17 (h) The Illinois Thoroughbred Breeders Fund is not subject
18 to administrative charges or chargebacks, including, but not
19 limited to, those authorized under Section 8h of the State
20 Finance Act. ~~Whenever the Governor finds that the amount in the~~
21 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~
22 ~~the outstanding appropriations from such fund, the Governor~~
23 ~~shall notify the State Comptroller and the State Treasurer of~~
24 ~~such fact. The Comptroller and the State Treasurer, upon~~
25 ~~receipt of such notification, shall transfer such excess amount~~
26 ~~from the Illinois Thoroughbred Breeders Fund to the General~~

1 ~~Revenue Fund.~~

2 (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of
3 every purse won by an Illinois foaled or an Illinois conceived
4 and foaled horse in races not limited to Illinois foaled horses
5 or Illinois conceived and foaled horses, or both, shall be paid
6 by the organization licensee conducting the horse race meeting.
7 Such sum shall be paid 50% from the organization licensee's
8 account and 50% from the purse account of the licensee ~~share of~~
9 ~~the money wagered~~ as follows: 11 1/2% to the breeder of the
10 winning horse and 1 1/2% ~~1%~~ to the organization representing
11 thoroughbred breeders and owners whose representative serves
12 on the Illinois Thoroughbred Breeders Fund Advisory Board for
13 verifying the amounts of breeders' awards earned, assuring
14 their distribution in accordance with this Act, and servicing
15 and promoting the Illinois thoroughbred horse racing industry.
16 Except for that track that races in Madison County, beginning
17 in the calendar year in which an organization licensee that is
18 eligible to receive payment under paragraph (13) of subsection
19 (g) of Section 26 of this Act begins to receive funds from
20 electronic gaming, a sum equal to 21 1/2% of the first prize
21 money of every purse won by an Illinois foaled or an Illinois
22 conceived and foaled horse in races not limited to Illinois
23 foaled horses or Illinois conceived and foaled horses, or both,
24 shall be paid by the organization licensee conducting the horse
25 race meeting. Such sum shall be paid 30% from the organization
26 licensee's account and 70% from the purse account of the

1 licensee as follows: 20% to the breeder of the winning horse
2 and 1 1/2% to the organization representing thoroughbred
3 breeders and owners whose representative serves on the Illinois
4 Thoroughbred Breeders Fund Advisory Board for verifying the
5 amounts of breeders' awards earned, ensuring their
6 distribution in accordance with this Act, and service and
7 promotion of the Illinois thoroughbred horse racing industry.

8 The organization representing thoroughbred breeders and owners
9 shall cause all expenditures of monies received under this
10 subsection (i) to be audited at least annually by a registered
11 public accountant. The organization shall file copies of each
12 annual audit with the Racing Board, the Clerk of the House of
13 Representatives and the Secretary of the Senate, and shall make
14 copies of each annual audit available to the public upon
15 request and upon payment of the reasonable cost of photocopying
16 the requested number of copies. Such payments shall not reduce
17 any award to the owner of the horse or reduce the taxes payable
18 under this Act. Upon completion of its racing meet, each
19 organization licensee shall deliver to the organization
20 representing thoroughbred breeders and owners whose
21 representative serves on the Illinois Thoroughbred Breeders
22 Fund Advisory Board a listing of all the Illinois foaled and
23 the Illinois conceived and foaled horses which won breeders'
24 awards and the amount of such breeders' awards under this
25 subsection to verify accuracy of payments and assure proper
26 distribution of breeders' awards in accordance with the

1 provisions of this Act. Such payments shall be delivered by the
2 organization licensee within 30 days of the end of each race
3 meeting.

4 (j) A sum equal to 13% ~~12-1/2%~~ of the first prize money won
5 in each race limited to Illinois foaled horses or Illinois
6 conceived and foaled horses, or both, shall be paid in the
7 following manner by the organization licensee conducting the
8 horse race meeting, 50% from the organization licensee's
9 account and 50% from the purse account of the licensee ~~share of~~
10 ~~the money wagered~~: 11 1/2% to the breeders of the horses in
11 each such race which are the official first, second, third and
12 fourth finishers and 1 1/2% ~~1%~~ to the organization representing
13 thoroughbred breeders and owners whose representative serves
14 on the Illinois Thoroughbred Breeders Fund Advisory Board for
15 verifying the amounts of breeders' awards earned, assuring
16 their proper distribution in accordance with this Act, and
17 servicing and promoting the Illinois thoroughbred horse racing
18 industry. The organization representing thoroughbred breeders
19 and owners shall cause all expenditures of monies received
20 under this subsection (j) to be audited at least annually by a
21 registered public accountant. The organization shall file
22 copies of each annual audit with the Racing Board, the Clerk of
23 the House of Representatives and the Secretary of the Senate,
24 and shall make copies of each annual audit available to the
25 public upon request and upon payment of the reasonable cost of
26 photocopying the requested number of copies.

1 The 11 1/2% paid to the breeders in accordance with this
2 subsection shall be distributed as follows:

3 (1) 60% of such sum shall be paid to the breeder of the
4 horse which finishes in the official first position;

5 (2) 20% of such sum shall be paid to the breeder of the
6 horse which finishes in the official second position;

7 (3) 15% of such sum shall be paid to the breeder of the
8 horse which finishes in the official third position; and

9 (4) 5% of such sum shall be paid to the breeder of the
10 horse which finishes in the official fourth position.

11 Such payments shall not reduce any award to the owners of a
12 horse or reduce the taxes payable under this Act. Upon
13 completion of its racing meet, each organization licensee shall
14 deliver to the organization representing thoroughbred breeders
15 and owners whose representative serves on the Illinois
16 Thoroughbred Breeders Fund Advisory Board a listing of all the
17 Illinois foaled and the Illinois conceived and foaled horses
18 which won breeders' awards and the amount of such breeders'
19 awards in accordance with the provisions of this Act. Such
20 payments shall be delivered by the organization licensee within
21 30 days of the end of each race meeting.

22 (k) The term "breeder", as used herein, means the owner of
23 the mare at the time the foal is dropped. An "Illinois foaled
24 horse" is a foal dropped by a mare which enters this State on
25 or before December 1, in the year in which the horse is bred,
26 provided the mare remains continuously in this State until its

1 foal is born. An "Illinois foaled horse" also means a foal born
2 of a mare in the same year as the mare enters this State on or
3 before March 1, and remains in this State at least 30 days
4 after foaling, is bred back during the season of the foaling to
5 an Illinois Registered Stallion (unless a veterinarian
6 certifies that the mare should not be bred for health reasons),
7 and is not bred to a stallion standing in any other state
8 during the season of foaling. An "Illinois foaled horse" also
9 means a foal born in Illinois of a mare purchased at public
10 auction subsequent to the mare entering this State on or before
11 March 1 ~~prior to February 1~~ of the foaling year providing the
12 mare is owned solely by one or more Illinois residents or an
13 Illinois entity that is entirely owned by one or more Illinois
14 residents.

15 (1) The Department of Agriculture shall, by rule, with the
16 advice and assistance of the Illinois Thoroughbred Breeders
17 Fund Advisory Board:

18 (1) Qualify stallions for Illinois breeding; such
19 stallions to stand for service within the State of Illinois
20 at the time of a foal's conception. Such stallion must not
21 stand for service at any place outside the State of
22 Illinois during the calendar year in which the foal is
23 conceived. The Department of Agriculture may assess and
24 collect an application fee of up to \$500 ~~fees~~ for the
25 registration of Illinois-eligible stallions. All fees
26 collected are to be held in trust accounts for the purposes

1 set forth in this Act and in accordance with Section 205-15
2 of the Department of Agriculture Law ~~paid into the Illinois~~
3 ~~Thoroughbred Breeders Fund.~~

4 (2) Provide for the registration of Illinois conceived
5 and foaled horses and Illinois foaled horses. No such horse
6 shall compete in the races limited to Illinois conceived
7 and foaled horses or Illinois foaled horses or both unless
8 registered with the Department of Agriculture. The
9 Department of Agriculture may prescribe such forms as are
10 necessary to determine the eligibility of such horses. The
11 Department of Agriculture may assess and collect
12 application fees for the registration of Illinois-eligible
13 foals. All fees collected are to be held in trust accounts
14 for the purposes set forth in this Act and in accordance
15 with Section 205-15 of the Department of Agriculture Law
16 ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No
17 person shall knowingly prepare or cause preparation of an
18 application for registration of such foals containing
19 false information.

20 (m) The Department of Agriculture, with the advice and
21 assistance of the Illinois Thoroughbred Breeders Fund Advisory
22 Board, shall provide that certain races limited to Illinois
23 conceived and foaled and Illinois foaled horses be stakes races
24 and determine the total amount of stakes and awards to be paid
25 to the owners of the winning horses in such races.

26 In determining the stakes races and the amount of awards

1 for such races, the Department of Agriculture shall consider
2 factors, including but not limited to, the amount of money
3 appropriated for the Illinois Thoroughbred Breeders Fund
4 program, organization licensees' contributions, availability
5 of stakes caliber horses as demonstrated by past performances,
6 whether the race can be coordinated into the proposed racing
7 dates within organization licensees' racing dates, opportunity
8 for colts and fillies and various age groups to race, public
9 wagering on such races, and the previous racing schedule.

10 (n) The Board and the organizational licensee shall notify
11 the Department of the conditions and minimum purses for races
12 limited to Illinois conceived and foaled and Illinois foaled
13 horses conducted for each organizational licensee conducting a
14 thoroughbred racing meeting. The Department of Agriculture
15 with the advice and assistance of the Illinois Thoroughbred
16 Breeders Fund Advisory Board may allocate monies for purse
17 supplements for such races. In determining whether to allocate
18 money and the amount, the Department of Agriculture shall
19 consider factors, including but not limited to, the amount of
20 money appropriated for the Illinois Thoroughbred Breeders Fund
21 program, the number of races that may occur, and the
22 organizational licensee's purse structure.

23 (o) In order to improve the breeding quality of
24 thoroughbred horses in the State, the General Assembly
25 recognizes that existing provisions of this Section to
26 encourage such quality breeding need to be revised and

1 strengthened. As such, a Thoroughbred Breeder's Program Task
2 Force is to be appointed by the Governor by September 1, 1999
3 to make recommendations to the General Assembly by no later
4 than March 1, 2000. This task force is to be composed of 2
5 representatives from the Illinois Thoroughbred Breeders and
6 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's
7 Association, 3 from Illinois race tracks operating
8 thoroughbred race meets for an average of at least 30 days in
9 the past 3 years, the Director of Agriculture, the Executive
10 Director of the Racing Board, who shall serve as Chairman.

11 (Source: P.A. 91-40, eff. 6-25-99.)

12 (230 ILCS 5/30.5)

13 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

14 (a) The General Assembly declares that it is the policy of
15 this State to encourage the breeding of racing quarter horses
16 in this State and the ownership of such horses by residents of
17 this State in order to provide for sufficient numbers of high
18 quality racing quarter horses in this State and to establish
19 and preserve the agricultural and commercial benefits of such
20 breeding and racing industries to the State of Illinois. It is
21 the intent of the General Assembly to further this policy by
22 the provisions of this Act.

23 (b) There is hereby created non-appropriated trust ~~a~~
24 ~~special fund in the State Treasury~~ to be known as the Illinois
25 Racing Quarter Horse Breeders Fund, which is held separately

1 from State moneys. Except as provided in subsection (g) of
2 Section 27 of this Act, 8.5% of all the moneys received by the
3 State as pari-mutuel taxes on quarter horse racing shall be
4 paid into the Illinois Racing Quarter Horse Breeders Fund. The
5 Illinois Racing Quarter Horse Breeders Fund shall not be
6 subject to administrative charges or chargebacks, including,
7 but not limited to, those authorized under Section 8h of the
8 State Finance Act.

9 (c) The Illinois Racing Quarter Horse Breeders Fund shall
10 be administered by the Department of Agriculture with the
11 advice and assistance of the Advisory Board created in
12 subsection (d) of this Section.

13 (d) The Illinois Racing Quarter Horse Breeders Fund
14 Advisory Board shall consist of the Director of the Department
15 of Agriculture, who shall serve as Chairman; a member of the
16 Illinois Racing Board, designated by it; one representative of
17 the organization licensees conducting pari-mutuel quarter
18 horse racing meetings, recommended by them; 2 representatives
19 of the Illinois Running Quarter Horse Association, recommended
20 by it; and the Superintendent of Fairs and Promotions from the
21 Department of Agriculture. Advisory Board members shall serve
22 for 2 years commencing January 1 of each odd numbered year. If
23 representatives have not been recommended by January 1 of each
24 odd numbered year, the Director of the Department of
25 Agriculture may make an appointment for the organization
26 failing to so recommend a member of the Advisory Board.

1 Advisory Board members shall receive no compensation for their
2 services as members but may be reimbursed for all actual and
3 necessary expenses and disbursements incurred in the execution
4 of their official duties.

5 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
6 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
7 ~~the General Assembly. Moneys appropriated from the Illinois~~
8 Racing Quarter Horse Breeders Fund shall be expended by the
9 Department of Agriculture, with the advice and assistance of
10 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
11 for the following purposes only:

12 (1) To provide stakes and awards to be paid to the
13 owners of the winning horses in certain races. This
14 provision is limited to Illinois conceived and foaled
15 horses.

16 (2) To provide an award to the owner or owners of an
17 Illinois conceived and foaled horse that wins a race when
18 pari-mutuel wagering is conducted; providing the race is
19 not restricted to Illinois conceived and foaled horses.

20 (3) To provide purse money for an Illinois stallion
21 stakes program.

22 (4) To provide for purses to be distributed for the
23 running of races during the Illinois State Fair and the
24 DuQuoin State Fair exclusively for quarter horses
25 conceived and foaled in Illinois.

26 (5) To provide for purses to be distributed for the

1 running of races at Illinois county fairs exclusively for
2 quarter horses conceived and foaled in Illinois.

3 (6) To provide for purses to be distributed for running
4 races exclusively for quarter horses conceived and foaled
5 in Illinois at locations in Illinois determined by the
6 Department of Agriculture with advice and consent of the
7 Illinois Racing Quarter Horse Breeders Fund Advisory
8 Board.

9 (7) No less than 90% of all moneys appropriated from
10 the Illinois Racing Quarter Horse Breeders Fund shall be
11 expended for the purposes in items (1), (2), (3), (4), and
12 (5) of this subsection (e).

13 (8) To provide for research programs concerning the
14 health, development, and care of racing quarter horses.

15 (9) To provide for dissemination of public information
16 designed to promote the breeding of racing quarter horses
17 in Illinois.

18 (10) To provide for expenses incurred in the
19 administration of the Illinois Racing Quarter Horse
20 Breeders Fund.

21 (f) The Department of Agriculture shall, by rule, with the
22 advice and assistance of the Illinois Racing Quarter Horse
23 Breeders Fund Advisory Board:

24 (1) Qualify stallions for Illinois breeding; such
25 stallions to stand for service within the State of
26 Illinois, at the time of a foal's conception. Such stallion

1 must not stand for service at any place outside the State
2 of Illinois during the calendar year in which the foal is
3 conceived. The Department of Agriculture may assess and
4 collect application fees for the registration of
5 Illinois-eligible stallions. All fees collected are to be
6 paid into the Illinois Racing Quarter Horse Breeders Fund.

7 (2) Provide for the registration of Illinois conceived
8 and foaled horses. No such horse shall compete in the races
9 limited to Illinois conceived and foaled horses unless it
10 is registered with the Department of Agriculture. The
11 Department of Agriculture may prescribe such forms as are
12 necessary to determine the eligibility of such horses. The
13 Department of Agriculture may assess and collect
14 application fees for the registration of Illinois-eligible
15 foals. All fees collected are to be paid into the Illinois
16 Racing Quarter Horse Breeders Fund. No person shall
17 knowingly prepare or cause preparation of an application
18 for registration of such foals that contains false
19 information.

20 (g) The Department of Agriculture, with the advice and
21 assistance of the Illinois Racing Quarter Horse Breeders Fund
22 Advisory Board, shall provide that certain races limited to
23 Illinois conceived and foaled be stakes races and determine the
24 total amount of stakes and awards to be paid to the owners of
25 the winning horses in such races.

26 (Source: P.A. 91-40, eff. 6-25-99; revised 10-18-12.)

1 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

2 Sec. 31. (a) The General Assembly declares that it is the
3 policy of this State to encourage the breeding of standardbred
4 horses in this State and the ownership of such horses by
5 residents of this State in order to provide for: sufficient
6 numbers of high quality standardbred horses to participate in
7 harness racing meetings in this State, and to establish and
8 preserve the agricultural and commercial benefits of such
9 breeding and racing industries to the State of Illinois. It is
10 the intent of the General Assembly to further this policy by
11 the provisions of this Section of this Act.

12 (b) Each organization licensee conducting a harness racing
13 meeting pursuant to this Act shall provide for at least two
14 races each race program limited to Illinois conceived and
15 foaled horses. A minimum of 6 races shall be conducted each
16 week limited to Illinois conceived and foaled horses. No horses
17 shall be permitted to start in such races unless duly
18 registered under the rules of the Department of Agriculture.

19 (b-5) Organization licensees, not including the Illinois
20 State Fair or the DuQuoin State Fair, shall provide stake races
21 and early closer races for Illinois conceived and foaled horses
22 so that purses distributed for such races shall be no less than
23 17% of total purses distributed for harness racing in that
24 calendar year in addition to any stakes payments and starting
25 fees contributed by horse owners.

1 (b-10) Each organization licensee conducting a harness
2 racing meeting pursuant to this Act shall provide an owner
3 award to be paid from the purse account equal to 25% of the
4 amount earned by Illinois conceived and foaled horses in races
5 that are not restricted to Illinois conceived and foaled
6 horses. The owner awards shall not be paid on races below the
7 \$10,000 claiming class.

8 (c) Conditions of races under subsection (b) shall be
9 commensurate with past performance, quality and class of
10 Illinois conceived and foaled horses available. If, however,
11 sufficient competition cannot be had among horses of that class
12 on any day, the races may, with consent of the Board, be
13 eliminated for that day and substitute races provided.

14 (d) There is hereby created a special fund of the State
15 Treasury to be known as the Illinois Standardbred Breeders
16 Fund.

17 During the calendar year 1981, and each year thereafter,
18 except as provided in subsection (g) of Section 27 of this Act,
19 eight and one-half per cent of all the monies received by the
20 State as privilege taxes on harness racing meetings shall be
21 paid into the Illinois Standardbred Breeders Fund.

22 (e) The Illinois Standardbred Breeders Fund shall be
23 administered by the Department of Agriculture with the
24 assistance and advice of the Advisory Board created in
25 subsection (f) of this Section.

26 (f) The Illinois Standardbred Breeders Fund Advisory Board

1 is hereby created. The Advisory Board shall consist of the
2 Director of the Department of Agriculture, who shall serve as
3 Chairman; the Superintendent of the Illinois State Fair; a
4 member of the Illinois Racing Board, designated by it; a
5 representative of the Illinois Standardbred Owners and
6 Breeders Association, recommended by it; a representative of
7 the Illinois Association of Agricultural Fairs, recommended by
8 it, such representative to be from a fair at which Illinois
9 conceived and foaled racing is conducted; a representative of
10 the organization licensees conducting harness racing meetings,
11 recommended by them and a representative of the Illinois
12 Harness Horsemen's Association, recommended by it. Advisory
13 Board members shall serve for 2 years commencing January 1, of
14 each odd numbered year. If representatives of the Illinois
15 Standardbred Owners and Breeders Associations, the Illinois
16 Association of Agricultural Fairs, the Illinois Harness
17 Horsemen's Association, and the organization licensees
18 conducting harness racing meetings have not been recommended by
19 January 1, of each odd numbered year, the Director of the
20 Department of Agriculture shall make an appointment for the
21 organization failing to so recommend a member of the Advisory
22 Board. Advisory Board members shall receive no compensation for
23 their services as members but shall be reimbursed for all
24 actual and necessary expenses and disbursements incurred in the
25 execution of their official duties.

26 (g) No monies shall be expended from the Illinois

1 Standardbred Breeders Fund except as appropriated by the
2 General Assembly. Monies appropriated from the Illinois
3 Standardbred Breeders Fund shall be expended by the Department
4 of Agriculture, with the assistance and advice of the Illinois
5 Standardbred Breeders Fund Advisory Board for the following
6 purposes only:

7 1. To provide purses for races limited to Illinois
8 conceived and foaled horses at the State Fair and the
9 DuQuoin State Fair.

10 2. To provide purses for races limited to Illinois
11 conceived and foaled horses at county fairs.

12 3. To provide purse supplements for races limited to
13 Illinois conceived and foaled horses conducted by
14 associations conducting harness racing meetings.

15 4. No less than 75% of all monies in the Illinois
16 Standardbred Breeders Fund shall be expended for purses in
17 1, 2 and 3 as shown above.

18 5. In the discretion of the Department of Agriculture
19 to provide awards to harness breeders of Illinois conceived
20 and foaled horses which win races conducted by organization
21 licensees conducting harness racing meetings. A breeder is
22 the owner of a mare at the time of conception. No more than
23 10% of all monies appropriated from the Illinois
24 Standardbred Breeders Fund shall be expended for such
25 harness breeders awards. No more than 25% of the amount
26 expended for harness breeders awards shall be expended for

1 expenses incurred in the administration of such harness
2 breeders awards.

3 6. To pay for the improvement of racing facilities
4 located at the State Fair and County fairs.

5 7. To pay the expenses incurred in the administration
6 of the Illinois Standardbred Breeders Fund.

7 8. To promote the sport of harness racing, including
8 grants up to a maximum of \$7,500 per fair per year for
9 conducting pari-mutuel wagering during the advertised
10 dates of a county fair.

11 9. To pay up to \$50,000 annually for the Department of
12 Agriculture to conduct drug testing at county fairs racing
13 standardbred horses.

14 10. To pay up to \$100,000 annually for distribution to
15 Illinois county fairs to supplement premiums offered in
16 junior classes.

17 11. To pay up to \$100,000 annually for division and
18 equal distribution to the animal sciences department of
19 each Illinois public university system engaged in equine
20 research and education on or before the effective date of
21 this amendatory Act of the 98th General Assembly for equine
22 research and education.

23 (h) (Blank) ~~Whenever the Governor finds that the amount in~~
24 ~~the Illinois Standardbred Breeders Fund is more than the total~~
25 ~~of the outstanding appropriations from such fund, the Governor~~
26 ~~shall notify the State Comptroller and the State Treasurer of~~

1 ~~such fact. The Comptroller and the State Treasurer, upon~~
2 ~~receipt of such notification, shall transfer such excess amount~~
3 ~~from the Illinois Standardbred Breeders Fund to the General~~
4 ~~Revenue Fund.~~

5 (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of
6 the gross ~~every~~ purse won by an Illinois conceived and foaled
7 horse shall be paid 50% by the organization licensee conducting
8 the horse race meeting to the breeder of such winning horse
9 from the organization licensee's account and 50% from the purse
10 account of the licensee ~~share of the money wagered~~. Such
11 payment shall not reduce any award to the owner of the horse or
12 reduce the taxes payable under this Act. Such payment shall be
13 delivered by the organization licensee at the end of each
14 quarter ~~race meeting~~.

15 (j) The Department of Agriculture shall, by rule, with the
16 assistance and advice of the Illinois Standardbred Breeders
17 Fund Advisory Board:

18 1. Qualify stallions for Illinois Standardbred
19 Breeders Fund breeding; ~~such stallion shall be owned by a~~
20 ~~resident of the State of Illinois or by an Illinois~~
21 ~~corporation all of whose shareholders, directors, officers~~
22 ~~and incorporators are residents of the State of Illinois.~~
23 Such stallion shall stand for service at and within the
24 State of Illinois at the time of a foal's conception, and
25 such stallion must not stand for service at any place, ~~nor~~
26 ~~may semen from such stallion be transported,~~ outside the

1 State of Illinois during that calendar year in which the
2 foal is conceived ~~and that the owner of the stallion was~~
3 ~~for the 12 months prior, a resident of Illinois.~~ Foals
4 conceived outside the State of Illinois from shipped semen
5 from a stallion qualified for breeders' awards under this
6 Section are not eligible to participate in the Illinois
7 conceived and foaled program. ~~The articles of agreement of~~
8 ~~any partnership, joint venture, limited partnership,~~
9 ~~syndicate, association or corporation and any bylaws and~~
10 ~~stock certificates must contain a restriction that~~
11 ~~provides that the ownership or transfer of interest by any~~
12 ~~one of the persons a party to the agreement can only be~~
13 ~~made to a person who qualifies as an Illinois resident.~~

14 2. Provide for the registration of Illinois conceived
15 and foaled horses and no such horse shall compete in the
16 races limited to Illinois conceived and foaled horses
17 unless registered with the Department of Agriculture. The
18 Department of Agriculture may prescribe such forms as may
19 be necessary to determine the eligibility of such horses.
20 No person shall knowingly prepare or cause preparation of
21 an application for registration of such foals containing
22 false information. A mare (dam) must be in the state at
23 least 180 ~~30~~ days prior to foaling or remain in the State
24 at least 30 days after ~~at the time of~~ foaling. Beginning
25 with the 1996 breeding season and for foals of 1997 and
26 thereafter, a foal conceived in the State of Illinois by

1 transported fresh semen may be eligible for Illinois
2 conceived and foaled registration provided all breeding
3 and foaling requirements are met. The stallion must be
4 qualified for Illinois Standardbred Breeders Fund breeding
5 at the time of conception and the mare must be inseminated
6 within the State of Illinois. The foal must be dropped in
7 Illinois and properly registered with the Department of
8 Agriculture in accordance with this Act.

9 3. Provide that at least a 5 day racing program shall
10 be conducted at the State Fair each year, which program
11 shall include at least the following races limited to
12 Illinois conceived and foaled horses: (a) a two year old
13 Trot and Pace, and Filly Division of each; (b) a three year
14 old Trot and Pace, and Filly Division of each; (c) an aged
15 Trot and Pace, and Mare Division of each.

16 4. Provide for the payment of nominating, sustaining
17 and starting fees for races promoting the sport of harness
18 racing and for the races to be conducted at the State Fair
19 as provided in subsection (j) 3 of this Section provided
20 that the nominating, sustaining and starting payment
21 required from an entrant shall not exceed 2% of the purse
22 of such race. All nominating, sustaining and starting
23 payments shall be held for the benefit of entrants and
24 shall be paid out as part of the respective purses for such
25 races. Nominating, sustaining and starting fees shall be
26 held in trust accounts for the purposes as set forth in

1 this Act and in accordance with Section 205-15 of the
2 Department of Agriculture Law (20 ILCS 205/205-15).

3 5. Provide for the registration with the Department of
4 Agriculture of Colt Associations or county fairs desiring
5 to sponsor races at county fairs.

6 6. Provide for the promotion of producing standardbred
7 racehorses by providing a bonus award program for owners of
8 2-year-old horses that win multiple major stakes races that
9 are limited to Illinois conceived and foaled horses.

10 (k) The Department of Agriculture, with the advice and
11 assistance of the Illinois Standardbred Breeders Fund Advisory
12 Board, may allocate monies for purse supplements for such
13 races. In determining whether to allocate money and the amount,
14 the Department of Agriculture shall consider factors,
15 including but not limited to, the amount of money appropriated
16 for the Illinois Standardbred Breeders Fund program, the number
17 of races that may occur, and an organizational licensee's purse
18 structure. The organizational licensee shall notify the
19 Department of Agriculture of the conditions and minimum purses
20 for races limited to Illinois conceived and foaled horses to be
21 conducted by each organizational licensee conducting a harness
22 racing meeting for which purse supplements have been
23 negotiated.

24 (1) All races held at county fairs and the State Fair which
25 receive funds from the Illinois Standardbred Breeders Fund
26 shall be conducted in accordance with the rules of the United

1 States Trotting Association unless otherwise modified by the
2 Department of Agriculture.

3 (m) At all standardbred race meetings held or conducted
4 under authority of a license granted by the Board, and at all
5 standardbred races held at county fairs which are approved by
6 the Department of Agriculture or at the Illinois or DuQuoin
7 State Fairs, no one shall jog, train, warm up or drive a
8 standardbred horse unless he or she is wearing a protective
9 safety helmet, with the chin strap fastened and in place, which
10 meets the standards and requirements as set forth in the 1984
11 Standard for Protective Headgear for Use in Harness Racing and
12 Other Equestrian Sports published by the Snell Memorial
13 Foundation, or any standards and requirements for headgear the
14 Illinois Racing Board may approve. Any other standards and
15 requirements so approved by the Board shall equal or exceed
16 those published by the Snell Memorial Foundation. Any
17 equestrian helmet bearing the Snell label shall be deemed to
18 have met those standards and requirements.

19 (Source: P.A. 91-239, eff. 1-1-00.)

20 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

21 Sec. 31.1. (a) Organization licensees collectively shall
22 contribute annually to charity the sum of \$1,000,000 ~~\$750,000~~
23 to non-profit organizations that provide medical and family,
24 counseling, and similar services to persons who reside or work
25 on the backstretch of Illinois racetracks. These contributions

1 shall be collected as follows: (i) no later than July 1st of
2 each year the Board shall assess each organization licensee,
3 except those tracks which are not within 100 miles of each
4 other which tracks shall pay \$40,000 ~~\$30,000~~ annually apiece
5 into the Board charity fund, that amount which equals \$920,000
6 ~~\$690,000~~ multiplied by the amount of pari-mutuel wagering
7 handled by the organization licensee in the year preceding
8 assessment and divided by the total pari-mutuel wagering
9 handled by all Illinois organization licensees, except those
10 tracks which are not within 100 miles of each other, in the
11 year preceding assessment; (ii) notice of the assessed
12 contribution shall be mailed to each organization licensee;
13 (iii) within thirty days of its receipt of such notice, each
14 organization licensee shall remit the assessed contribution to
15 the Board. If an organization licensee wilfully fails to so
16 remit the contribution, the Board may revoke its license to
17 conduct horse racing.

18 (b) No later than October 1st of each year, any qualified
19 charitable organization seeking an allotment of contributed
20 funds shall submit to the Board an application for those funds,
21 using the Board's approved form. No later than December 31st of
22 each year, the Board shall distribute all such amounts
23 collected that year to such charitable organization
24 applicants.

25 (Source: P.A. 87-110.)

1 (230 ILCS 5/32.1)

2 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
3 real estate equalization.

4 (a) In order to encourage new investment in Illinois
5 racetrack facilities and mitigate differing real estate tax
6 burdens among all racetracks, the licensees affiliated or
7 associated with each racetrack that has been awarded live
8 racing dates in the current year shall receive an immediate
9 pari-mutuel tax credit in an amount equal to the greater of (i)
10 50% of the amount of the real estate taxes paid in the prior
11 year attributable to that racetrack, or (ii) the amount by
12 which the real estate taxes paid in the prior year attributable
13 to that racetrack exceeds 60% of the average real estate taxes
14 paid in the prior year for all racetracks awarded live horse
15 racing meets in the current year.

16 Each year, regardless of whether the organization licensee
17 conducted live racing in the year of certification, the Board
18 shall certify in writing, prior to December 31, the real estate
19 taxes paid in that year for each racetrack and the amount of
20 the pari-mutuel tax credit that each organization licensee,
21 intertrack wagering licensee, and intertrack wagering location
22 licensee that derives its license from such racetrack is
23 entitled in the succeeding calendar year. The real estate taxes
24 considered under this Section for any racetrack shall be those
25 taxes on the real estate parcels and related facilities used to
26 conduct a horse race meeting and inter-track wagering at such

1 racetrack under this Act. In no event shall the amount of the
2 tax credit under this Section exceed the amount of pari-mutuel
3 taxes otherwise calculated under this Act. The amount of the
4 tax credit under this Section shall be retained by each
5 licensee and shall not be subject to any reallocation or
6 further distribution under this Act. The Board may promulgate
7 emergency rules to implement this Section.

8 (b) Beginning on January 1 following the calendar year
9 during which an organization licensee begins conducting
10 electronic gaming operations pursuant to an electronic gaming
11 license issued under the Illinois Gambling Act, the
12 organization licensee shall be ineligible to receive a tax
13 credit under this Section.

14 (Source: P.A. 91-40, eff. 6-25-99.)

15 (230 ILCS 5/34.3 new)

16 Sec. 34.3. Drug testing. The Illinois Racing Board and the
17 Department of Agriculture shall jointly establish a program for
18 the purpose of conducting drug testing of horses at county
19 fairs and shall adopt any rules necessary for enforcement of
20 the program. The rules shall include appropriate penalties for
21 violations.

22 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

23 Sec. 36. (a) Whoever administers or conspires to administer
24 to any horse a hypnotic, narcotic, stimulant, depressant or any

1 chemical substance which may affect the speed of a horse at any
2 time in any race where the purse or any part of the purse is
3 made of money authorized by any Section of this Act, except
4 those chemical substances permitted by ruling of the Board,
5 internally, externally or by hypodermic method in a race or
6 prior thereto, or whoever knowingly enters a horse in any race
7 within a period of 24 hours after any hypnotic, narcotic,
8 stimulant, depressant or any other chemical substance which may
9 affect the speed of a horse at any time, except those chemical
10 substances permitted by ruling of the Board, has been
11 administered to such horse either internally or externally or
12 by hypodermic method for the purpose of increasing or retarding
13 the speed of such horse shall be guilty of a Class 4 felony.
14 The Board shall suspend or revoke such violator's license.

15 (b) The term "hypnotic" as used in this Section includes
16 all barbituric acid preparations and derivatives.

17 (c) The term "narcotic" as used in this Section includes
18 opium and all its alkaloids, salts, preparations and
19 derivatives, cocaine and all its salts, preparations and
20 derivatives and substitutes.

21 (d) The provisions of this Section 36 and the treatment
22 authorized herein apply to horses entered in and competing in
23 race meetings as defined in Section 3.07 of this Act and to
24 horses entered in and competing at any county fair.

25 (Source: P.A. 79-1185.)

1 (230 ILCS 5/39.2 new)

2 Sec. 39.2. Prohibition of political contributions from
3 certain licensees and applicants.

4 (a) The General Assembly has a compelling interest in
5 protecting the integrity of both the electoral process and the
6 legislative process by preventing corruption and the
7 appearance of corruption which may arise through permitting
8 certain political campaign contributions by certain persons
9 involved in the horse racing industry and regulated by the
10 State. Unlike most other regulated industries, horse racing is
11 especially susceptible to corruption and potential criminal
12 influence. In Illinois, only licensed horse racing is legal and
13 all other such activities are strictly prohibited. Given these
14 circumstances, it is imperative to eliminate any potential
15 corrupt influence in the horse racing industry and the
16 electoral process.

17 Banning political campaign contributions by certain
18 persons subject to this Section to State officeholders and
19 candidates for such offices and to county and municipal
20 officeholders and candidates for such offices in counties and
21 municipalities that receive financial benefits from horse
22 racing is necessary to prevent corruption and the appearance of
23 corruption that may arise when political campaign
24 contributions and horse racing that is regulated by the State
25 and that confers benefits on counties and municipalities are
26 intermingled.

1 (b) As used in this Section:

2 "Affiliated entity" means (i) any corporate parent and each
3 operating subsidiary of the business entity applying for or
4 holding a license, (ii) each operating subsidiary of the
5 corporate parent of the business entity applying for or holding
6 a license, (iii) any organization recognized by the United
7 States Internal Revenue Service as a tax-exempt organization
8 described in Section 501(c) of the Internal Revenue Code of
9 1986 (or any successor provision of federal tax law)
10 established by one or more business entities seeking or holding
11 a license, any affiliated entity of such business entity, or
12 any affiliated person of such business entity, and (iv) any
13 political committee for which the business entity applying for
14 or holding a license, or any 501(c) organization described in
15 item (iii) related to that business entity, is the sponsoring
16 entity, as defined in Section 9-3 of the Election Code. For
17 purposes of item (iv), the funding of all business entities
18 applying for or holding a license shall be aggregated in
19 determining whether such political committee is an affiliated
20 entity.

21 "Affiliated person" means (i) any person with any ownership
22 interest or distributive share in excess of 7.5% of any
23 business entity applying for or holding a license, (ii)
24 executive employees of any such business entity, and (iii) the
25 spouse of the persons described in items (i) and (ii).

26 "Business entity" means any entity doing business for

1 profit, whether organized as a corporation, partnership, sole
2 proprietorship, limited liability company, or otherwise.

3 "Contribution" means a contribution as defined in Section
4 9-1.4 of the Election Code.

5 "Declared candidate" means a person who has filed a
6 statement of candidacy and petition for nomination or election
7 in the principal office of the State Board of Elections, or in
8 the office of the appropriate election authority for any county
9 or municipality in which a race track is located.

10 "Executive employee" means (i) any person who is an officer
11 or director or who fulfills duties equivalent to those of an
12 officer or director of a business entity applying for or
13 holding a license and (ii) any employee of such business entity
14 who is required to register under the Lobbyist Registration
15 Act.

16 "License" means any organization, inter-track wagering,
17 inter-track wagering location, advance deposit wagering or
18 concessionaire license issued pursuant to this Act.

19 "Officeholder" means the Governor, Lieutenant Governor,
20 Attorney General, Secretary of State, Comptroller, Treasurer,
21 member of the General Assembly, or any officeholder in any
22 county or municipality in which a race track is located.

23 (c) Any person or business entity applying for or holding a
24 license, any affiliated entities or persons of such business
25 entity, any horsemen's association, and any entities or persons
26 soliciting a contribution or causing a contribution to be made

1 on behalf of such person, business entity, or horsemen's
2 association, are prohibited from making any contribution to any
3 officeholder or declared candidate or any political committee
4 affiliated with any officeholder or declared candidate, as
5 defined in Section 9-1.8 of the Election Code. This prohibition
6 shall commence upon filing of an application for a license and
7 shall continue for a period of 2 years after termination,
8 suspension or revocation of the license.

9 The Board shall have authority to suspend, revoke, or
10 restrict the license and to impose civil penalties of up to
11 \$100,000 for each violation of this subsection (c). A notice of
12 each such violation and the penalty imposed shall be published
13 on the Board's Internet website and in the Illinois Register.
14 Payments received by the State pursuant to this subsection
15 shall be deposited into the General Revenue Fund.

16 Any officeholder or declared candidate or any political
17 committee affiliated with any officeholder or declared
18 candidate that has received a contribution in violation of this
19 subsection (c) shall pay an amount equal to the value of the
20 contribution to the State no more than 30 days after notice of
21 the violation concerning the contribution appears in the
22 Illinois Register. Payments received by the State pursuant to
23 this subsection (c) shall be deposited into the General Revenue
24 Fund.

25 (d) The Board shall post on its website a list of all
26 persons, business entities, horsemen's associations, and

1 affiliated entities prohibited from making contributions to
2 any officeholder or declared candidate political committee
3 pursuant to subsection (c), which list shall be updated and
4 published, at a minimum, every 6 months.

5 Any person, business entity, horsemen's association, or
6 affiliated entity prohibited from making contributions to any
7 officeholder or declared candidate political committee
8 pursuant to subsection (c) shall notify the Board within 7 days
9 after discovering any necessary change or addition to the
10 information relating to that person, business entity,
11 horsemen's association, or affiliated entity contained in the
12 list.

13 An individual who acts in good faith and in reliance on any
14 information contained in the list shall not be subject to any
15 penalties or liability imposed for a violation of this Section.

16 (e) If any provision of this Section is held invalid or its
17 application to any person or circumstance is held invalid, the
18 invalidity of that provision or application does not affect the
19 other provisions or applications of this Section that can be
20 given effect without the invalid application or provision.

21 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

22 Sec. 40. (a) The imposition of any fine or penalty provided
23 in this Act shall not preclude the Board in its rules and
24 regulations from imposing a fine or penalty for any other
25 action which, in the Board's discretion, is a detriment or

1 impediment to horse racing.

2 (b) The Director of Agriculture or his or her authorized
3 representative shall impose the following monetary penalties
4 and hold administrative hearings as required for failure to
5 submit the following applications, lists, or reports within the
6 time period, date or manner required by statute or rule or for
7 removing a foal from Illinois prior to inspection:

8 (1) late filing of a renewal application for offering
9 or standing stallion for service:

10 (A) if an application is submitted no more than 30
11 days late, \$50;

12 (B) if an application is submitted no more than 45
13 days late, \$150; or

14 (C) if an application is submitted more than 45
15 days late, if filing of the application is allowed
16 under an administrative hearing, \$250;

17 (2) late filing of list or report of mares bred:

18 (A) if a list or report is submitted no more than
19 30 days late, \$50;

20 (B) if a list or report is submitted no more than
21 60 days late \$150; or

22 (C) if a list or report is submitted more than 60
23 days late, if filing of the list or report is allowed
24 under an administrative hearing, \$250;

25 (3) filing an Illinois foaled thoroughbred mare status
26 report after the statutory deadline as provided in

1 subsection (k) of Section 30 of this Act ~~December 31~~:

2 (A) if a report is submitted no more than 30 days
3 late, \$50;

4 (B) if a report is submitted no more than 90 days
5 late, \$150;

6 (C) if a report is submitted no more than 150 days
7 late, \$250; or

8 (D) if a report is submitted more than 150 days
9 late, if filing of the report is allowed under an
10 administrative hearing, \$500;

11 (4) late filing of application for foal eligibility
12 certificate:

13 (A) if an application is submitted no more than 30
14 days late, \$50;

15 (B) if an application is submitted no more than 90
16 days late, \$150;

17 (C) if an application is submitted no more than 150
18 days late, \$250; or

19 (D) if an application is submitted more than 150
20 days late, if filing of the application is allowed
21 under an administrative hearing, \$500;

22 (5) failure to report the intent to remove a foal from
23 Illinois prior to inspection, identification and
24 certification by a Department of Agriculture investigator,
25 \$50; and

26 (6) if a list or report of mares bred is incomplete,

1 \$50 per mare not included on the list or report.

2 Any person upon whom monetary penalties are imposed under
3 this Section 3 times within a 5 year period shall have any
4 further monetary penalties imposed at double the amounts set
5 forth above. All monies assessed and collected for violations
6 relating to thoroughbreds shall be paid into the Thoroughbred
7 Breeders Fund. All monies assessed and collected for violations
8 relating to standardbreds shall be paid into the Standardbred
9 Breeders Fund.

10 (Source: P.A. 87-397.)

11 (230 ILCS 5/54.75)

12 Sec. 54.75. Horse Racing Equity Trust Fund.

13 (a) There is created a Fund to be known as the Horse Racing
14 Equity Trust Fund, which is a non-appropriated trust fund held
15 separate and apart from State moneys. The Fund shall consist of
16 moneys paid into it by owners licensees under the Illinois
17 ~~Riverboat~~ Gambling Act for the purposes described in this
18 Section. The Fund shall be administered by the Board. Moneys in
19 the Fund shall be distributed as directed and certified by the
20 Board in accordance with the provisions of subsection (b).

21 (b) The moneys deposited into the Fund, plus any accrued
22 interest on those moneys, shall be distributed within 10 days
23 after those moneys are deposited into the Fund as follows:

24 (1) Sixty percent of all moneys distributed under this
25 subsection shall be distributed to organization licensees

1 to be distributed at their race meetings as purses.
2 Fifty-seven percent of the amount distributed under this
3 paragraph (1) shall be distributed for thoroughbred race
4 meetings and 43% shall be distributed for standardbred race
5 meetings. Within each breed, moneys shall be allocated to
6 each organization licensee's purse fund in accordance with
7 the ratio between the purses generated for that breed by
8 that licensee during the prior calendar year and the total
9 purses generated throughout the State for that breed during
10 the prior calendar year by licensees in the current
11 calendar year.

12 (2) The remaining 40% of the moneys distributed under
13 this subsection (b) shall be distributed as follows:

14 (A) 11% shall be distributed to any person (or its
15 successors or assigns) who had operating control of a
16 racetrack that conducted live racing in 2002 at a
17 racetrack in a county with at least 230,000 inhabitants
18 that borders the Mississippi River and is a licensee in
19 the current year; and

20 (B) the remaining 89% shall be distributed pro rata
21 according to the aggregate proportion of total handle
22 from wagering on live races conducted in Illinois
23 (irrespective of where the wagers are placed) for
24 calendar years 2004 and 2005 to any person (or its
25 successors or assigns) who (i) had majority operating
26 control of a racing facility at which live racing was

1 conducted in calendar year 2002, (ii) is a licensee in
2 the current year, and (iii) is not eligible to receive
3 moneys under subparagraph (A) of this paragraph (2).

4 The moneys received by an organization licensee
5 under this paragraph (2) shall be used by each
6 organization licensee to improve, maintain, market,
7 and otherwise operate its racing facilities to conduct
8 live racing, which shall include backstretch services
9 and capital improvements related to live racing and the
10 backstretch. Any organization licensees sharing common
11 ownership may pool the moneys received and spent at all
12 racing facilities commonly owned in order to meet these
13 requirements.

14 If any person identified in this paragraph (2) becomes
15 ineligible to receive moneys from the Fund, such amount
16 shall be redistributed among the remaining persons in
17 proportion to their percentages otherwise calculated.

18 (c) The Board shall monitor organization licensees to
19 ensure that moneys paid to organization licensees under this
20 Section are distributed by the organization licensees as
21 provided in subsection (b).

22 (Source: P.A. 95-1008, eff. 12-15-08.)

23 (230 ILCS 5/56 new)

24 Sec. 56. Electronic gaming.

25 (a) A person, firm, corporation, or limited liability

1 company having operating control of a race track may apply to
2 the Gaming Board for an electronic gaming license. An
3 electronic gaming license shall authorize its holder to conduct
4 electronic gaming on the grounds of the race track controlled
5 by the licensee's race track. Only one electronic gaming
6 license may be awarded for any race track. A holder of an
7 electronic gaming license shall be subject to the Illinois
8 Gambling Act and rules of the Illinois Gaming Board concerning
9 electronic gaming. If the person, firm, corporation, or limited
10 liability company having operating control of a race track is
11 found by the Illinois Gaming Board to be unsuitable for an
12 electronic gaming license under the Illinois Gambling Act and
13 rules of the Gaming Board, that person, firm, corporation, or
14 limited liability company shall not be granted an electronic
15 gaming license. Each license shall specify the number of gaming
16 positions that its holder may operate.

17 An electronic gaming licensee may not permit persons under
18 21 years of age to be present in its electronic gaming
19 facility, but the licensee may accept wagers on live racing and
20 inter-track wagers at its electronic gaming facility.

21 (b) For purposes of this subsection, "adjusted gross
22 receipts" means an electronic gaming licensee's gross receipts
23 less winnings paid to wagerers and shall also include any
24 amounts that would otherwise be deducted pursuant to subsection
25 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted
26 gross receipts by an electronic gaming licensee from electronic

1 gaming remaining after the payment of taxes under Section 13 of
2 the Illinois Gambling Act shall be distributed as follows:

3 (1) Amounts shall be paid to the purse account at the
4 track at which the organization licensee is conducting
5 racing equal to the following:

6 12.75% of annual adjusted gross receipts up to and
7 including \$75,000,000;

8 20% of annual adjusted gross receipts in excess of
9 \$75,000,000 but not exceeding \$100,000,000;

10 26.5% of annual adjusted gross receipts in excess
11 of \$100,000,000 but not exceeding \$125,000,000; and

12 20.5% of annual adjusted gross receipts in excess
13 of \$125,000,000.

14 (2) The remainder shall be retained by the electronic
15 gaming licensee.

16 (c) Electronic gaming receipts placed into the purse
17 account of an organization licensee racing thoroughbred horses
18 shall be used for purses, for health care services or worker's
19 compensation for racing industry workers, for equine research,
20 for programs to care for and transition injured and retired
21 thoroughbred horses that race at the race track, or for horse
22 ownership promotion, in accordance with the agreement of the
23 horsemen's association representing the largest number of
24 owners and trainers who race at that organization licensee's
25 race meetings.

26 Annually, from the purse account of an organization

1 licensee racing thoroughbred horses in this State, except for
2 in Madison County, an amount equal to 12% of the electronic
3 gaming receipts placed into the purse accounts shall be paid to
4 the Illinois Thoroughbred Breeders Fund and shall be used for
5 owner awards; a stallion program pursuant to paragraph (3) of
6 subsection (g) of Section 30 of this Act; and Illinois
7 conceived and foaled stakes races pursuant to paragraph (2) of
8 subsection (g) of Section 30 of this Act, as specifically
9 designated by the horsemen's association representing the
10 largest number of owners and trainers who race at the
11 organization licensee's race meetings.

12 Annually, from the purse account of an organization
13 licensee racing thoroughbred horses in Madison County, an
14 amount equal to 10% of the electronic gaming receipts placed
15 into the purse accounts shall be paid to the Illinois
16 Thoroughbred Breeders Fund and shall be used for owner awards;
17 a stallion program pursuant to paragraph (3) of subsection (g)
18 of Section 30 of this Act; and Illinois conceived and foaled
19 stakes races pursuant to paragraph (2) of subsection (g) of
20 Section 30 of this Act, as specifically designated by the
21 horsemen's association representing the largest number of
22 owners and trainers who race at the organization licensee's
23 race meetings.

24 Annually, from the purse account of an organization
25 licensee conducting thoroughbred races at a race track in
26 Madison County, an amount equal to 1% of the electronic gaming

1 receipts distributed to purses per subsection (b) of this
2 Section 56 shall be paid as follows: 0.33 1/3% to Southern
3 Illinois University Department of Animal Sciences for equine
4 research and education, an amount equal to 0.33 1/3% of the
5 electronic gaming receipts shall be used to operate laundry
6 facilities or a kitchen for backstretch workers at that race
7 track, and an amount equal to 0.33 1/3% of the electronic
8 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
9 non-profit organization that cares for injured and unwanted
10 horses that race at that race track.

11 Annually, from the purse account of organization licensees
12 conducting thoroughbred races at race tracks in Cook County,
13 \$100,000 shall be paid for division and equal distribution to
14 the animal sciences department of each Illinois public
15 university system engaged in equine research and education on
16 or before the effective date of this amendatory Act of the 98th
17 General Assembly for equine research and education.

18 (d) Annually, from the purse account of an organization
19 licensee racing standardbred horses, an amount equal to 15% of
20 the electronic gaming receipts placed into that purse account
21 shall be paid to the Illinois Colt Stakes Purse Distribution
22 Fund. Moneys deposited into the Illinois Colt Stakes Purse
23 Distribution Fund shall be used for standardbred racing as
24 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of
25 subsection (q) of Section 31 of this Act and for bonus awards
26 as authorized under paragraph 6 of subsection (j) of Section 31

1 of this Act.

2 (e) The Illinois Gaming Board shall submit a report to the
3 General Assembly on or before December 31, 2014 that examines
4 the feasibility of conducting electronic gaming at the Illinois
5 State Fairgrounds in Sangamon County. At a minimum, this report
6 shall analyze the projected revenues that will be generated,
7 the potential for cannibalization of existing riverboats,
8 casinos, or other electronic gaming facilities, and the
9 potential detriment to the surrounding area and its population.
10 The report shall include the Illinois Gaming Board's findings
11 together with appropriate recommendations for legislative
12 action.

13 Section 90-40. The Riverboat Gambling Act is amended by
14 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
15 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
16 and 24 and by adding Sections 5.3, 7.6, 7.7, 7.8, 7.9, 7.10,
17 7.11, 7.12, 13.2, and 18.2 as follows:

18 (230 ILCS 10/1) (from Ch. 120, par. 2401)

19 Sec. 1. Short title. This Act shall be known and may be
20 cited as the Illinois Riverboat Gambling Act.

21 (Source: P.A. 86-1029.)

22 (230 ILCS 10/2) (from Ch. 120, par. 2402)

23 Sec. 2. Legislative Intent.

1 (a) This Act is intended to benefit the people of the State
2 of Illinois by assisting economic development, ~~and~~ promoting
3 Illinois tourism, ~~and by~~ increasing the amount of revenues
4 available to the State to assist and support education, and to
5 defray State expenses, including unpaid bills.

6 (b) While authorization of riverboat and casino gambling
7 will enhance investment, beautification, development and
8 tourism in Illinois, it is recognized that it will do so
9 successfully only if public confidence and trust in the
10 credibility and integrity of the gambling operations and the
11 regulatory process is maintained. Therefore, regulatory
12 provisions of this Act are designed to strictly regulate the
13 facilities, persons, associations and practices related to
14 gambling operations pursuant to the police powers of the State,
15 including comprehensive law enforcement supervision.

16 (c) The Illinois Gaming Board established under this Act
17 should, as soon as possible, inform each applicant for an
18 owners license of the Board's intent to grant or deny a
19 license.

20 (Source: P.A. 93-28, eff. 6-20-03.)

21 (230 ILCS 10/3) (from Ch. 120, par. 2403)

22 Sec. 3. ~~Riverboat~~ Gambling Authorized.

23 (a) Riverboat and casino gambling operations and
24 electronic gaming operations ~~and the system of wagering~~
25 ~~incorporated therein,~~ as defined in this Act, are hereby

1 authorized to the extent that they are carried out in
2 accordance with the provisions of this Act.

3 (b) This Act does not apply to the pari-mutuel system of
4 wagering used or intended to be used in connection with the
5 horse-race meetings as authorized under the Illinois Horse
6 Racing Act of 1975, lottery games authorized under the Illinois
7 Lottery Law, bingo authorized under the Bingo License and Tax
8 Act, charitable games authorized under the Charitable Games Act
9 or pull tabs and jar games conducted under the Illinois Pull
10 Tabs and Jar Games Act. This Act applies to electronic gaming
11 authorized under the Illinois Horse Racing Act of 1975 to the
12 extent provided in that Act and in this Act.

13 (c) Riverboat gambling conducted pursuant to this Act may
14 be authorized upon any water within the State of Illinois or
15 any water other than Lake Michigan which constitutes a boundary
16 of the State of Illinois. Notwithstanding any provision in this
17 subsection (c) to the contrary, a licensee that receives its
18 license pursuant to subsection (e-5) of Section 7 may conduct
19 riverboat gambling on Lake Michigan from a home dock located on
20 Lake Michigan subject to any limitations contained in Section
21 7. Notwithstanding any provision in this subsection (c) to the
22 contrary, a licensee may conduct gambling at its home dock
23 facility as provided in Sections 7 and 11. A licensee may
24 conduct riverboat gambling authorized under this Act
25 regardless of whether it conducts excursion cruises. A licensee
26 may permit the continuous ingress and egress of passengers for

1 the purpose of gambling.

2 (d) Gambling that is conducted in accordance with this Act
3 using slot machines and video games of chance and other
4 electronic gambling games as defined in both the Illinois
5 Gambling Act and the Illinois Horse Racing Act of 1975 is
6 authorized.

7 (Source: P.A. 91-40, eff. 6-25-99.)

8 (230 ILCS 10/4) (from Ch. 120, par. 2404)

9 Sec. 4. Definitions. As used in this Act:

10 ~~(a)~~ "Board" means the Illinois Gaming Board.

11 ~~(b)~~ "Occupational license" means a license issued by the
12 Board to a person or entity to perform an occupation which the
13 Board has identified as requiring a license to engage in
14 riverboat gambling, casino gambling, or electronic gaming in
15 Illinois.

16 ~~(c)~~ "Gambling game" includes, but is not limited to,
17 baccarat, twenty-one, poker, craps, slot machine, video game of
18 chance, roulette wheel, klondike table, punchboard, faro
19 layout, keno layout, numbers ticket, push card, jar ticket, or
20 pull tab which is authorized by the Board as a wagering device
21 under this Act.

22 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
23 permanently moored barge, or permanently moored barges that are
24 permanently fixed together to operate as one vessel, on which
25 lawful gambling is authorized and licensed as provided in this

1 Act.

2 "Slot machine" means any mechanical, electrical, or other
3 device, contrivance, or machine that is authorized by the Board
4 as a wagering device under this Act which, upon insertion of a
5 coin, currency, token, or similar object therein, or upon
6 payment of any consideration whatsoever, is available to play
7 or operate, the play or operation of which may deliver or
8 entitle the person playing or operating the machine to receive
9 cash, premiums, merchandise, tokens, or anything of value
10 whatsoever, whether the payoff is made automatically from the
11 machine or in any other manner whatsoever. A slot machine:

12 (1) may utilize spinning reels or video displays or
13 both;

14 (2) may or may not dispense coins, tickets, or tokens
15 to winning patrons;

16 (3) may use an electronic credit system for receiving
17 wagers and making payouts; and

18 (4) may simulate a table game.

19 "Slot machine" does not include table games authorized by
20 the Board as a wagering device under this Act.

21 ~~(e)~~ "Managers license" means a license issued by the Board
22 to a person or entity to manage gambling operations conducted
23 by the State pursuant to Section 7.3.

24 ~~(f)~~ "Dock" means the location where a riverboat moors for
25 the purpose of embarking passengers for and disembarking
26 passengers from the riverboat.

1 ~~(g)~~ "Gross receipts" means the total amount of money
2 exchanged for the purchase of chips, tokens, or electronic
3 cards by riverboat patrons.

4 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
5 winnings paid to wagerers.

6 ~~(i)~~ "Cheat" means to alter the selection of criteria which
7 determine the result of a gambling game or the amount or
8 frequency of payment in a gambling game.

9 ~~(j)~~ (Blank).

10 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
11 gambling games authorized under this Act upon a riverboat or in
12 a casino or authorized under this Act and the Illinois Horse
13 Racing Act of 1975 at an electronic gaming facility.

14 ~~(l)~~ "License bid" means the lump sum amount of money that
15 an applicant bids and agrees to pay the State in return for an
16 owners license that is issued or re-issued on or after July 1,
17 2003.

18 "Table game" means a live gaming apparatus upon which
19 gaming is conducted or that determines an outcome that is the
20 object of a wager, including, but not limited to, baccarat,
21 twenty-one, blackjack, poker, craps, roulette wheel, klondike
22 table, punchboard, faro layout, keno layout, numbers ticket,
23 push card, jar ticket, pull tab, or other similar games that
24 are authorized by the Board as a wagering device under this
25 Act. "Table game" does not include slot machines or video games
26 of chance.

1 ~~(m)~~ The terms "minority person", "female", and "person with
2 a disability" shall have the same meaning as defined in Section
3 2 of the Business Enterprise for Minorities, Females, and
4 Persons with Disabilities Act.

5 "Authority" means the Chicago Casino Development
6 Authority.

7 "Casino" means a facility at which lawful gambling is
8 authorized as provided in this Act.

9 "Owners license" means a license to conduct riverboat or
10 casino gambling operations, but does not include an electronic
11 gaming license.

12 "Licensed owner" means a person who holds an owners
13 license.

14 "Electronic gaming" means slot machine gambling, video
15 game of chance gambling, or gambling with electronic gambling
16 games as defined in the Illinois Gambling Act or defined by the
17 Board that is conducted at a race track pursuant to an
18 electronic gaming license.

19 "Electronic gaming facility" means the area where the Board
20 has authorized electronic gaming at a race track of an
21 organization licensee under the Illinois Horse Racing Act of
22 1975 that holds an electronic gaming license.

23 "Electronic gaming license" means a license issued by the
24 Board under Section 7.6 of this Act authorizing electronic
25 gaming at an electronic gaming facility.

26 "Electronic gaming licensee" means an entity that holds an

1 electronic gaming license.

2 "Organization licensee" means an entity authorized by the
3 Illinois Racing Board to conduct pari-mutuel wagering in
4 accordance with the Illinois Horse Racing Act of 1975. With
5 respect only to electronic gaming, "organization licensee"
6 includes the authorization for electronic gaming created under
7 subsection (a) of Section 56 of the Illinois Horse Racing Act
8 of 1975.

9 "Casino operator license" means the license held by the
10 person or entity selected by the Authority to manage and
11 operate a riverboat or casino within the geographic area of the
12 authorized municipality pursuant to this Act and the Chicago
13 Casino Development Authority Act.

14 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

15 (230 ILCS 10/5) (from Ch. 120, par. 2405)

16 Sec. 5. Gaming Board.

17 (a) (1) There is hereby established the Illinois Gaming
18 Board, which shall have the powers and duties specified in this
19 Act and in the Chicago Casino Development Authority Act, and
20 all other powers necessary and proper to fully and effectively
21 execute this Act for the purpose of administering, regulating,
22 and enforcing the system of riverboat and casino gambling and
23 electronic gaming established by this Act and by the Chicago
24 Casino Development Authority Act. Its jurisdiction shall
25 extend under this Act and the Chicago Casino Development

1 Authority Act to every person, association, corporation,
2 partnership and trust involved in riverboat and casino gambling
3 operations and electronic gaming in the State of Illinois.

4 (2) The Board shall consist of 5 members to be appointed by
5 the Governor with the advice and consent of the Senate, one of
6 whom shall be designated by the Governor to be chairperson
7 ~~chairman~~. Each member shall have a reasonable knowledge of the
8 practice, procedure and principles of gambling operations.
9 Each member shall either be a resident of Illinois or shall
10 certify that he or she will become a resident of Illinois
11 before taking office.

12 On and after the effective date of this amendatory Act of
13 the 98th General Assembly, new appointees to the Board must
14 include the following:

15 (A) One member who has received, at a minimum, a
16 bachelor's degree from an accredited school and at least 10
17 years of verifiable training and experience in the fields
18 of investigation and law enforcement.

19 (B) One member who is a certified public accountant
20 with experience in auditing and with knowledge of complex
21 corporate structures and transactions.

22 (C) One member who has 5 years' experience as a
23 principal, senior officer, or director of a company or
24 business with either material responsibility for the daily
25 operations and management of the overall company or
26 business or material responsibility for the policy making

1 of the company or business.

2 (D) One member who is a lawyer licensed to practice law
3 in Illinois.

4 Notwithstanding any provision of this subsection (a), the
5 requirements of subparagraphs (A) through (D) of this paragraph
6 (2) shall not apply to any person reappointed pursuant to
7 paragraph (3).

8 No more than 3 members of the Board may be from the same
9 political party. The Board should reflect the ethnic, cultural,
10 and geographic diversity of the State. No Board member shall,
11 within a period of one year immediately preceding nomination,
12 have been employed or received compensation or fees for
13 services from a person or entity, or its parent or affiliate,
14 that has engaged in business with the Board, a licensee, or a
15 licensee under the Illinois Horse Racing Act of 1975. Board
16 members must publicly disclose all prior affiliations with
17 gaming interests, including any compensation, fees, bonuses,
18 salaries, and other reimbursement received from a person or
19 entity, or its parent or affiliate, that has engaged in
20 business with the Board, a licensee, or a licensee under the
21 Illinois Horse Racing Act of 1975. This disclosure must be made
22 within 30 days after nomination but prior to confirmation by
23 the Senate and must be made available to the members of the
24 Senate. ~~At least one member shall be experienced in law~~
25 ~~enforcement and criminal investigation, at least one member~~
26 ~~shall be a certified public accountant experienced in~~

1 ~~accounting and auditing, and at least one member shall be a~~
2 ~~lawyer licensed to practice law in Illinois.~~

3 (3) The terms of office of the Board members shall be 3
4 years, except that the terms of office of the initial Board
5 members appointed pursuant to this Act will commence from the
6 effective date of this Act and run as follows: one for a term
7 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
8 a term ending July 1, 1993. Upon the expiration of the
9 foregoing terms, the successors of such members shall serve a
10 term for 3 years and until their successors are appointed and
11 qualified for like terms. Vacancies in the Board shall be
12 filled for the unexpired term in like manner as original
13 appointments. Each member of the Board shall be eligible for
14 reappointment at the discretion of the Governor with the advice
15 and consent of the Senate.

16 (4) Each member of the Board shall receive \$300 for each
17 day the Board meets and for each day the member conducts any
18 hearing pursuant to this Act. Each member of the Board shall
19 also be reimbursed for all actual and necessary expenses and
20 disbursements incurred in the execution of official duties.

21 (5) No person shall be appointed a member of the Board or
22 continue to be a member of the Board who is, or whose spouse,
23 child or parent is, a member of the board of directors of, or a
24 person financially interested in, any gambling operation
25 subject to the jurisdiction of this Board, or any race track,
26 race meeting, racing association or the operations thereof

1 subject to the jurisdiction of the Illinois Racing Board. No
2 Board member shall hold any other public office. No person
3 shall be a member of the Board who is not of good moral
4 character or who has been convicted of, or is under indictment
5 for, a felony under the laws of Illinois or any other state, or
6 the United States.

7 (5.5) No member of the Board shall engage in any political
8 activity. For the purposes of this Section, "political" means
9 any activity in support of or in connection with any campaign
10 for federal, State, or local elective office or any political
11 organization, but does not include activities (i) relating to
12 the support or opposition of any executive, legislative, or
13 administrative action (as those terms are defined in Section 2
14 of the Lobbyist Registration Act), (ii) relating to collective
15 bargaining, or (iii) that are otherwise in furtherance of the
16 person's official State duties or governmental and public
17 service functions.

18 (6) Any member of the Board may be removed by the Governor
19 for neglect of duty, misfeasance, malfeasance, or nonfeasance
20 in office or for engaging in any political activity.

21 (7) Before entering upon the discharge of the duties of his
22 office, each member of the Board shall take an oath that he
23 will faithfully execute the duties of his office according to
24 the laws of the State and the rules and regulations adopted
25 therewith and shall give bond to the State of Illinois,
26 approved by the Governor, in the sum of \$25,000. Every such

1 bond, when duly executed and approved, shall be recorded in the
2 office of the Secretary of State. Whenever the Governor
3 determines that the bond of any member of the Board has become
4 or is likely to become invalid or insufficient, he shall
5 require such member forthwith to renew his bond, which is to be
6 approved by the Governor. Any member of the Board who fails to
7 take oath and give bond within 30 days from the date of his
8 appointment, or who fails to renew his bond within 30 days
9 after it is demanded by the Governor, shall be guilty of
10 neglect of duty and may be removed by the Governor. The cost of
11 any bond given by any member of the Board under this Section
12 shall be taken to be a part of the necessary expenses of the
13 Board.

14 (8) The Board shall employ such personnel as may be
15 necessary to carry out its functions and shall determine the
16 salaries of all personnel, except those personnel whose
17 salaries are determined under the terms of a collective
18 bargaining agreement. No person shall be employed to serve the
19 Board who is, or whose spouse, parent or child is, an official
20 of, or has a financial interest in or financial relation with,
21 any operator engaged in gambling operations within this State
22 or any organization engaged in conducting horse racing within
23 this State. For the one year immediately preceding employment,
24 an employee shall not have been employed or received
25 compensation or fees for services from a person or entity, or
26 its parent or affiliate, that has engaged in business with the

1 Board, a licensee, or a licensee under the Illinois Horse
2 Racing Act of 1975. Any employee violating these prohibitions
3 shall be subject to termination of employment. In addition, all
4 Board members and employees are subject to the restrictions set
5 forth in Section 5-45 of the State Officials and Employees
6 Ethics Act.

7 (9) An Administrator shall perform any and all duties that
8 the Board shall assign him. The salary of the Administrator
9 shall be determined by the Board and, in addition, he shall be
10 reimbursed for all actual and necessary expenses incurred by
11 him in discharge of his official duties. The Administrator
12 shall keep records of all proceedings of the Board and shall
13 preserve all records, books, documents and other papers
14 belonging to the Board or entrusted to its care. The
15 Administrator shall devote his full time to the duties of the
16 office and shall not hold any other office or employment.

17 (b) The Board shall have general responsibility for the
18 implementation of this Act. Its duties include, without
19 limitation, the following:

20 (1) To decide promptly and in reasonable order all
21 license applications. Any party aggrieved by an action of
22 the Board denying, suspending, revoking, restricting or
23 refusing to renew a license may request a hearing before
24 the Board. A request for a hearing must be made to the
25 Board in writing within 5 days after service of notice of
26 the action of the Board. Notice of the action of the Board

1 shall be served either by personal delivery or by certified
2 mail, postage prepaid, to the aggrieved party. Notice
3 served by certified mail shall be deemed complete on the
4 business day following the date of such mailing. The Board
5 shall conduct all requested hearings promptly and in
6 reasonable order;

7 (2) To conduct all hearings pertaining to civil
8 violations of this Act or rules and regulations promulgated
9 hereunder;

10 (3) To promulgate such rules and regulations as in its
11 judgment may be necessary to protect or enhance the
12 credibility and integrity of gambling operations
13 authorized by this Act and the regulatory process
14 hereunder;

15 (4) To provide for the establishment and collection of
16 all license and registration fees and taxes imposed by this
17 Act and the rules and regulations issued pursuant hereto.
18 All such fees and taxes shall be deposited into the State
19 Gaming Fund;

20 (5) To provide for the levy and collection of penalties
21 and fines for the violation of provisions of this Act and
22 the rules and regulations promulgated hereunder. All such
23 fines and penalties shall be deposited into the Education
24 Assistance Fund, created by Public Act 86-0018, of the
25 State of Illinois;

26 (6) To be present through its inspectors and agents any

1 time gambling operations are conducted on any riverboat, in
2 any casino, or at any electronic gaming facility for the
3 purpose of certifying the revenue thereof, receiving
4 complaints from the public, and conducting such other
5 investigations into the conduct of the gambling games and
6 the maintenance of the equipment as from time to time the
7 Board may deem necessary and proper;

8 (7) To review and rule upon any complaint by a licensee
9 regarding any investigative procedures of the State which
10 are unnecessarily disruptive of gambling operations. The
11 need to inspect and investigate shall be presumed at all
12 times. The disruption of a licensee's operations shall be
13 proved by clear and convincing evidence, and establish
14 that: (A) the procedures had no reasonable law enforcement
15 purposes, and (B) the procedures were so disruptive as to
16 unreasonably inhibit gambling operations;

17 (8) To hold at least one meeting each quarter of the
18 fiscal year. In addition, special meetings may be called by
19 the Chairman or any 2 Board members upon 72 hours written
20 notice to each member. All Board meetings shall be subject
21 to the Open Meetings Act. Three members of the Board shall
22 constitute a quorum, and 3 votes shall be required for any
23 final determination by the Board. The Board shall keep a
24 complete and accurate record of all its meetings. A
25 majority of the members of the Board shall constitute a
26 quorum for the transaction of any business, for the

1 performance of any duty, or for the exercise of any power
2 which this Act requires the Board members to transact,
3 perform or exercise en banc, except that, upon order of the
4 Board, one of the Board members or an administrative law
5 judge designated by the Board may conduct any hearing
6 provided for under this Act or by Board rule and may
7 recommend findings and decisions to the Board. The Board
8 member or administrative law judge conducting such hearing
9 shall have all powers and rights granted to the Board in
10 this Act. The record made at the time of the hearing shall
11 be reviewed by the Board, or a majority thereof, and the
12 findings and decision of the majority of the Board shall
13 constitute the order of the Board in such case;

14 (9) To maintain records which are separate and distinct
15 from the records of any other State board or commission.
16 Such records shall be available for public inspection and
17 shall accurately reflect all Board proceedings;

18 (10) To file a written annual report with the Governor
19 on or before March 1 each year and such additional reports
20 as the Governor may request. The annual report shall
21 include a statement of receipts and disbursements by the
22 Board, actions taken by the Board, and any additional
23 information and recommendations which the Board may deem
24 valuable or which the Governor may request;

25 (11) (Blank);

26 (12) (Blank);

1 (13) To assume responsibility for administration and
2 enforcement of the Video Gaming Act; ~~and~~

3 (13.1) To assume responsibility for the administration
4 and enforcement of operations at electronic gaming
5 facilities pursuant to this Act and the Illinois Horse
6 Racing Act of 1975;

7 (13.2) To assume responsibility for the administration
8 and enforcement of gambling operations at the Chicago
9 Casino Development Authority's casino pursuant to this Act
10 and the Chicago Casino Development Authority Act; and

11 (14) To adopt, by rule, a code of conduct governing
12 Board members and employees that ensure, to the maximum
13 extent possible, that persons subject to this Code avoid
14 situations, relationships, or associations that may
15 represent or lead to a conflict of interest.

16 Internal controls and changes submitted by licensees must
17 be reviewed and either approved or denied with cause within 90
18 days after receipt of submission is deemed final by the
19 Illinois Gaming Board. In the event an internal control
20 submission or change does not meet the standards set by the
21 Board, staff of the Board must provide technical assistance to
22 the licensee to rectify such deficiencies within 90 days after
23 the initial submission and the revised submission must be
24 reviewed and approved or denied with cause within 90 days after
25 the date the revised submission is deemed final by the Board.
26 For the purposes of this paragraph, "with cause" means that the

1 approval of the submission would jeopardize the integrity of
2 gaming. In the event the Board staff has not acted within the
3 timeframe, the submission shall be deemed approved.

4 (c) The Board shall have jurisdiction over and shall
5 supervise all gambling operations governed by this Act and the
6 Chicago Casino Development Authority Act. The Board shall have
7 all powers necessary and proper to fully and effectively
8 execute the provisions of this Act and the Chicago Casino
9 Development Authority Act, including, but not limited to, the
10 following:

11 (1) To investigate applicants and determine the
12 eligibility of applicants for licenses and to select among
13 competing applicants the applicants which best serve the
14 interests of the citizens of Illinois.

15 (2) To have jurisdiction and supervision over all
16 ~~riverboat~~ gambling operations authorized under this Act
17 and the Chicago Casino Development Authority Act ~~in this~~
18 ~~State~~ and all persons in places ~~on riverboats~~ where
19 gambling operations are conducted.

20 (3) To promulgate rules and regulations for the purpose
21 of administering the provisions of this Act and the Chicago
22 Casino Development Authority Act and to prescribe rules,
23 regulations and conditions under which all ~~riverboat~~
24 gambling operations subject to this Act and the Chicago
25 Casino Development Authority Act ~~in the State~~ shall be
26 conducted. Such rules and regulations are to provide for

1 the prevention of practices detrimental to the public
2 interest and for the best interests of ~~riverboat~~ gambling,
3 including rules and regulations regarding the inspection
4 of electronic gaming facilities, casinos, and ~~such~~
5 riverboats, and the review of any permits or licenses
6 necessary to operate a riverboat, casino, or electronic
7 gaming facilities under any laws or regulations applicable
8 to riverboats, casinos, or electronic gaming facilities
9 and to impose penalties for violations thereof.

10 (4) To enter the office, riverboats, casinos,
11 electronic gaming facilities, and other facilities, or
12 other places of business of a licensee, where evidence of
13 the compliance or noncompliance with the provisions of this
14 Act and the Chicago Casino Development Authority Act is
15 likely to be found.

16 (5) To investigate alleged violations of this Act, the
17 Chicago Casino Development Authority Act, or the rules of
18 the Board and to take appropriate disciplinary action
19 against a licensee or a holder of an occupational license
20 for a violation, or institute appropriate legal action for
21 enforcement, or both.

22 (6) To adopt standards for the licensing of all persons
23 and entities under this Act and the Chicago Casino
24 Development Authority Act, as well as for electronic or
25 mechanical gambling games, and to establish fees for such
26 licenses.

1 (7) To adopt appropriate standards for all electronic
2 gaming facilities, riverboats, casinos, and other
3 facilities authorized under this Act and the Chicago Casino
4 Development Authority Act.

5 (8) To require that the records, including financial or
6 other statements of any licensee under this Act and the
7 Chicago Casino Development Authority Act, shall be kept in
8 such manner as prescribed by the Board and that any such
9 licensee involved in the ownership or management of
10 gambling operations submit to the Board an annual balance
11 sheet and profit and loss statement, list of the
12 stockholders or other persons having a 1% or greater
13 beneficial interest in the gambling activities of each
14 licensee, and any other information the Board deems
15 necessary in order to effectively administer this Act and
16 the Chicago Casino Development Authority Act and all rules,
17 regulations, orders and final decisions promulgated under
18 this Act and the Chicago Casino Development Authority Act.

19 (9) To conduct hearings, issue subpoenas for the
20 attendance of witnesses and subpoenas duces tecum for the
21 production of books, records and other pertinent documents
22 in accordance with the Illinois Administrative Procedure
23 Act, and to administer oaths and affirmations to the
24 witnesses, when, in the judgment of the Board, it is
25 necessary to administer or enforce this Act, the Chicago
26 Casino Development Authority Act, or the Board rules.

1 (10) To prescribe a form to be used by any licensee
2 involved in the ownership or management of gambling
3 operations as an application for employment for their
4 employees.

5 (11) To revoke or suspend licenses, other than the
6 license issued to the Chicago Casino Development
7 Authority, as the Board may see fit and in compliance with
8 applicable laws of the State regarding administrative
9 procedures, and to review applications for the renewal of
10 licenses. The Board may suspend an owners license (other
11 than the license issued to the Chicago Casino Development
12 Authority), electronic gaming license, or casino operator
13 license, without notice or hearing upon a determination
14 that the safety or health of patrons or employees is
15 jeopardized by continuing a gambling operation conducted
16 under that license ~~riverboat's operation~~. The suspension
17 may remain in effect until the Board determines that the
18 cause for suspension has been abated. The Board may revoke
19 ~~an the~~ owners license (other than the license issued to the
20 Chicago Casino Development Authority), electronic gaming
21 license, or casino operator license upon a determination
22 that the licensee ~~owner~~ has not made satisfactory progress
23 toward abating the hazard.

24 (12) To eject or exclude or authorize the ejection or
25 exclusion of, any person from ~~riverboat~~ gambling
26 facilities where that ~~such~~ person is in violation of this

1 Act or the Chicago Casino Development Authority Act, rules
2 and regulations thereunder, or final orders of the Board,
3 or where such person's conduct or reputation is such that
4 his or her presence within the ~~riverboat~~ gambling
5 facilities may, in the opinion of the Board, call into
6 question the honesty and integrity of the gambling
7 operations or interfere with the orderly conduct thereof;
8 provided that the propriety of such ejection or exclusion
9 is subject to subsequent hearing by the Board.

10 (13) To require all licensees of gambling operations to
11 utilize a cashless wagering system whereby all players'
12 money is converted to tokens, electronic cards, or chips
13 which shall be used only for wagering in the gambling
14 establishment.

15 (14) (Blank).

16 (15) To suspend, revoke or restrict licenses, other
17 than the license issued to the Chicago Casino Development
18 Authority, to require the removal of a licensee or an
19 employee of a licensee for a violation of this Act, the
20 Chicago Casino Development Authority Act, or a Board rule
21 or for engaging in a fraudulent practice, and to impose
22 civil penalties of up to \$5,000 against individuals and up
23 to \$10,000 or an amount equal to the daily gross receipts,
24 whichever is larger, against licensees for each violation
25 of any provision of the Act, the Chicago Casino Development
26 Authority Act, any rules adopted by the Board, any order of

1 the Board or any other action which, in the Board's
2 discretion, is a detriment or impediment to ~~riverboat~~
3 gambling operations.

4 (16) To hire employees to gather information, conduct
5 investigations and carry out any other tasks contemplated
6 under this Act or the Chicago Casino Development Authority
7 Act.

8 (17) To establish minimum levels of insurance to be
9 maintained by licensees.

10 (18) To authorize a licensee to sell or serve alcoholic
11 liquors, wine or beer as defined in the Liquor Control Act
12 of 1934 on board a riverboat or in a casino and to have
13 exclusive authority to establish the hours for sale and
14 consumption of alcoholic liquor on board a riverboat or in
15 a casino, notwithstanding any provision of the Liquor
16 Control Act of 1934 or any local ordinance, and regardless
17 of whether the riverboat makes excursions. The
18 establishment of the hours for sale and consumption of
19 alcoholic liquor on board a riverboat or in a casino is an
20 exclusive power and function of the State. A home rule unit
21 may not establish the hours for sale and consumption of
22 alcoholic liquor on board a riverboat or in a casino. This
23 subdivision (18) amendatory Act of 1991 is a denial and
24 limitation of home rule powers and functions under
25 subsection (h) of Section 6 of Article VII of the Illinois
26 Constitution.

1 (19) After consultation with the U.S. Army Corps of
2 Engineers, to establish binding emergency orders upon the
3 concurrence of a majority of the members of the Board
4 regarding the navigability of water, relative to
5 excursions, in the event of extreme weather conditions,
6 acts of God or other extreme circumstances.

7 (20) To delegate the execution of any of its powers
8 under this Act or the Chicago Casino Development Authority
9 Act for the purpose of administering and enforcing this
10 Act, the Chicago Casino Development Authority Act, and the
11 ~~its~~ rules adopted by the Board under both Acts ~~and~~
12 ~~regulations hereunder.~~

13 (20.5) To approve any contract entered into on its
14 behalf.

15 (20.6) To appoint investigators to conduct
16 investigations, searches, seizures, arrests, and other
17 duties imposed under this Act, as deemed necessary by the
18 Board. These investigators have and may exercise all of the
19 rights and powers of peace officers, provided that these
20 powers shall be limited to offenses or violations occurring
21 or committed in a casino, in an electronic gaming facility,
22 or on a riverboat or dock, as defined in subsections (d)
23 and (f) of Section 4, or as otherwise provided by this Act,
24 the Chicago Casino Development Authority Act, or any other
25 law.

26 (20.7) To contract with the Department of State Police

1 for the use of trained and qualified State police officers
2 and with the Department of Revenue for the use of trained
3 and qualified Department of Revenue investigators to
4 conduct investigations, searches, seizures, arrests, and
5 other duties imposed under this Act or the Chicago Casino
6 Development Authority Act and to exercise all of the rights
7 and powers of peace officers, provided that the powers of
8 Department of Revenue investigators under this subdivision
9 (20.7) shall be limited to offenses or violations occurring
10 or committed in a casino, in an electronic gaming facility,
11 or on a riverboat or dock, as defined in subsections (d)
12 and (f) of Section 4, or as otherwise provided by this Act
13 or any other law. In the event the Department of State
14 Police or the Department of Revenue is unable to fill
15 contracted police or investigative positions, the Board
16 may appoint investigators to fill those positions pursuant
17 to subdivision (20.6).

18 (21) To adopt rules concerning the conduct of
19 electronic gaming.

20 (22) To have the same jurisdiction and supervision over
21 casinos and electronic gaming facilities as the Board has
22 over riverboats, including, but not limited to, the power
23 to (i) investigate, review, and approve contracts as that
24 power is applied to riverboats, (ii) adopt rules for
25 administering the provisions of this Act or the Chicago
26 Casino Development Authority Act, (iii) adopt standards

1 for the licensing of all persons involved with a casino or
2 electronic gaming facility, (iv) investigate alleged
3 violations of this Act by any person involved with a casino
4 or electronic gaming facility, and (v) require that
5 records, including financial or other statements of any
6 casino or electronic gaming facility, shall be kept in such
7 manner as prescribed by the Board.

8 (23) To supervise and regulate the Chicago Casino
9 Development Authority in accordance with the Chicago
10 Casino Development Authority Act and the provisions of this
11 Act.

12 (24) ~~(21)~~ To take any other action as may be reasonable
13 or appropriate to enforce this Act, the Chicago Casino
14 Development Authority Act, and the rules adopted by the
15 Board under both Acts and regulations hereunder.

16 All Board powers enumerated in this Section in relation to
17 licensees shall apply equally to the holder of any casino
18 management contract entered into pursuant to the Chicago Casino
19 Development Authority Act.

20 (d) The Board may seek and shall receive the cooperation of
21 the Department of State Police in conducting background
22 investigations of applicants and in fulfilling its
23 responsibilities under this Section. Costs incurred by the
24 Department of State Police as a result of such cooperation
25 shall be paid by the Board in conformance with the requirements
26 of Section 2605-400 of the Department of State Police Law (20

1 ILCS 2605/2605-400).

2 (e) The Board must authorize to each investigator and to
3 any other employee of the Board exercising the powers of a
4 peace officer a distinct badge that, on its face, (i) clearly
5 states that the badge is authorized by the Board and (ii)
6 contains a unique identifying number. No other badge shall be
7 authorized by the Board.

8 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
9 96-1000, eff. 7-2-10; 96-1392, eff. 1-1-11.)

10 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

11 Sec. 5.1. Disclosure of records.

12 (a) Notwithstanding any applicable statutory provision to
13 the contrary, the Board shall, on written request from any
14 person, provide information furnished by an applicant or
15 licensee concerning the applicant or licensee, his products,
16 services or gambling enterprises and his business holdings, as
17 follows:

18 (1) The name, business address and business telephone
19 number of any applicant or licensee.

20 (2) An identification of any applicant or licensee
21 including, if an applicant or licensee is not an
22 individual, the names and addresses of all stockholders and
23 directors, if the entity is a corporation; the names and
24 addresses of all members, if the entity is a limited
25 liability company; the names and addresses of all partners,

1 both general and limited, if the entity is a partnership;
2 and the names and addresses of all beneficiaries, if the
3 entity is a trust ~~the state of incorporation or~~
4 ~~registration, the corporate officers, and the identity of~~
5 ~~all shareholders or participants.~~ If an applicant or
6 licensee has a pending registration statement filed with
7 the Securities and Exchange Commission, only the names of
8 those persons or entities holding interest of 5% or more
9 must be provided.

10 (3) An identification of any business, including, if
11 applicable, the state of incorporation or registration, in
12 which an applicant or licensee or an applicant's or
13 licensee's spouse or children has an equity interest of
14 more than 1%. If an applicant or licensee is a corporation,
15 partnership or other business entity, the applicant or
16 licensee shall identify any other corporation, partnership
17 or business entity in which it has an equity interest of 1%
18 or more, including, if applicable, the state of
19 incorporation or registration. This information need not
20 be provided by a corporation, partnership or other business
21 entity that has a pending registration statement filed with
22 the Securities and Exchange Commission.

23 (4) Whether an applicant or licensee has been indicted,
24 convicted, pleaded guilty or nolo contendere, or forfeited
25 bail concerning any criminal offense under the laws of any
26 jurisdiction, either felony or misdemeanor (except for

1 traffic violations), including the date, the name and
2 location of the court, arresting agency and prosecuting
3 agency, the case number, the offense, the disposition and
4 the location and length of incarceration.

5 (5) Whether an applicant or licensee has had any
6 license or certificate issued by a licensing authority in
7 Illinois or any other jurisdiction denied, restricted,
8 suspended, revoked or not renewed and a statement
9 describing the facts and circumstances concerning the
10 denial, restriction, suspension, revocation or
11 non-renewal, including the licensing authority, the date
12 each such action was taken, and the reason for each such
13 action.

14 (6) Whether an applicant or licensee has ever filed or
15 had filed against it a proceeding in bankruptcy or has ever
16 been involved in any formal process to adjust, defer,
17 suspend or otherwise work out the payment of any debt
18 including the date of filing, the name and location of the
19 court, the case and number of the disposition.

20 (7) Whether an applicant or licensee has filed, or been
21 served with a complaint or other notice filed with any
22 public body, regarding the delinquency in the payment of,
23 or a dispute over the filings concerning the payment of,
24 any tax required under federal, State or local law,
25 including the amount, type of tax, the taxing agency and
26 time periods involved.

1 (8) A statement listing the names and titles of all
2 public officials or officers of any unit of government, and
3 relatives of said public officials or officers who,
4 directly or indirectly, own any financial interest in, have
5 any beneficial interest in, are the creditors of or hold
6 any debt instrument issued by, or hold or have any interest
7 in any contractual or service relationship with, an
8 applicant or licensee.

9 (9) Whether an applicant or licensee has made, directly
10 or indirectly, any political contribution, or any loans,
11 donations or other payments, to any candidate or office
12 holder, within 5 years from the date of filing the
13 application, including the amount and the method of
14 payment.

15 (10) The name and business telephone number of the
16 counsel representing an applicant or licensee in matters
17 before the Board.

18 (11) A description of any proposed or approved
19 riverboat or casino gaming or electronic gaming operation,
20 including the type of boat, home dock or casino or
21 electronic gaming location, expected economic benefit to
22 the community, anticipated or actual number of employees,
23 any statement from an applicant or licensee regarding
24 compliance with federal and State affirmative action
25 guidelines, projected or actual admissions and projected
26 or actual adjusted gross gaming receipts.

1 (12) A description of the product or service to be
2 supplied by an applicant for a supplier's license.

3 (b) Notwithstanding any applicable statutory provision to
4 the contrary, the Board shall, on written request from any
5 person, also provide the following information:

6 (1) The amount of the wagering tax and admission tax
7 paid daily to the State of Illinois by the holder of an
8 owner's license.

9 (2) Whenever the Board finds an applicant for an
10 owner's license unsuitable for licensing, a copy of the
11 written letter outlining the reasons for the denial.

12 (3) Whenever the Board has refused to grant leave for
13 an applicant to withdraw his application, a copy of the
14 letter outlining the reasons for the refusal.

15 (c) Subject to the above provisions, the Board shall not
16 disclose any information which would be barred by:

17 (1) Section 7 of the Freedom of Information Act; or

18 (2) The statutes, rules, regulations or
19 intergovernmental agreements of any jurisdiction.

20 (d) The Board may assess fees for the copying of
21 information in accordance with Section 6 of the Freedom of
22 Information Act.

23 (Source: P.A. 96-1392, eff. 1-1-11.)

24 (230 ILCS 10/5.3 new)

25 Sec. 5.3. Ethical conduct.

1 (a) Officials and employees of the corporate authority of a
2 host community must carry out their duties and responsibilities
3 in such a manner as to promote and preserve public trust and
4 confidence in the integrity and conduct of gaming.

5 (b) Officials and employees of the corporate authority of a
6 host community shall not use or attempt to use his or her
7 official position to secure or attempt to secure any privilege,
8 advantage, favor, or influence for himself or herself or
9 others.

10 (c) Officials and employees of the corporate authority of a
11 host community may not have a financial interest, directly or
12 indirectly, in his or her own name or in the name of any other
13 person, partnership, association, trust, corporation, or other
14 entity in any contract or subcontract for the performance of
15 any work for a riverboat or casino that is located in the host
16 community. This prohibition shall extend to the holding or
17 acquisition of an interest in any entity identified by Board
18 action that, in the Board's judgment, could represent the
19 potential for or the appearance of a financial interest. The
20 holding or acquisition of an interest in such entities through
21 an indirect means, such as through a mutual fund, shall not be
22 prohibited, except that the Board may identify specific
23 investments or funds that, in its judgment, are so influenced
24 by gaming holdings as to represent the potential for or the
25 appearance of a conflict of interest.

26 (d) Officials and employees of the corporate authority of a

1 host community may not accept any gift, gratuity, service,
2 compensation, travel, lodging, or thing of value, with the
3 exception of unsolicited items of an incidental nature, from
4 any person, corporation, or entity doing business with the
5 riverboat or casino that is located in the host community.

6 (e) Officials and employees of the corporate authority of a
7 host community shall not, during the period that the person is
8 an official or employee of the corporate authority or for a
9 period of 2 years immediately after leaving such office,
10 knowingly accept employment or receive compensation or fees for
11 services from a person or entity, or its parent or affiliate,
12 that has engaged in business with the riverboat or casino that
13 is located in the host community that resulted in contracts
14 with an aggregate value of at least \$25,000 or if that official
15 or employee has made a decision that directly applied to the
16 person or entity, or its parent or affiliate.

17 (f) A spouse, child, or parent of an official or employee
18 of the corporate authority of a host community may not have a
19 financial interest, directly or indirectly, in his or her own
20 name or in the name of any other person, partnership,
21 association, trust, corporation, or other entity in any
22 contract or subcontract for the performance of any work for a
23 riverboat or casino in the host community. This prohibition
24 shall extend to the holding or acquisition of an interest in
25 any entity identified by Board action that, in the judgment of
26 the Board, could represent the potential for or the appearance

1 of a conflict of interest. The holding or acquisition of an
2 interest in such entities through an indirect means, such as
3 through a mutual fund, shall not be prohibited, except that the
4 Board may identify specific investments or funds that, in its
5 judgment, are so influenced by gaming holdings as to represent
6 the potential for or the appearance of a conflict of interest.

7 (g) A spouse, child, or parent of an official or employee
8 of the corporate authority of a host community may not accept
9 any gift, gratuity, service, compensation, travel, lodging, or
10 thing of value, with the exception of unsolicited items of an
11 incidental nature, from any person, corporation, or entity
12 doing business with the riverboat or casino that is located in
13 the host community.

14 (h) A spouse, child, or parent of an official or employee
15 of the corporate authority of a host community may not, during
16 the period that the person is an official of the corporate
17 authority or for a period of 2 years immediately after leaving
18 such office or employment, knowingly accept employment or
19 receive compensation or fees for services from a person or
20 entity, or its parent or affiliate, that has engaged in
21 business with the riverboat or casino that is located in the
22 host community that resulted in contracts with an aggregate
23 value of at least \$25,000 or if that official or employee has
24 made a decision that directly applied to the person or entity,
25 or its parent or affiliate.

26 (i) Officials and employees of the corporate authority of a

1 host community shall not attempt, in any way, to influence any
2 person or entity doing business with the riverboat or casino
3 that is located in the host community or any officer, agent, or
4 employee thereof to hire or contract with any person or entity
5 for any compensated work.

6 (j) Any communication between an official of the corporate
7 authority of a host community and any applicant for an owners
8 license in the host community, or an officer, director, or
9 employee of a riverboat or casino in the host community,
10 concerning any matter relating in any way to gaming shall be
11 disclosed to the Board. Such disclosure shall be in writing by
12 the official within 30 days after the communication and shall
13 be filed with the Board. Disclosure must consist of the date of
14 the communication, the identity and job title of the person
15 with whom the communication was made, a brief summary of the
16 communication, the action requested or recommended, all
17 responses made, the identity and job title of the person making
18 the response, and any other pertinent information. Public
19 disclosure of the written summary provided to the Board and the
20 Gaming Board shall be subject to the exemptions provided under
21 the Freedom of Information Act.

22 This subsection (j) shall not apply to communications
23 regarding traffic, law enforcement, security, environmental
24 issues, city services, transportation, or other routine
25 matters concerning the ordinary operations of the riverboat or
26 casino. For purposes of this subsection (j), "ordinary

1 operations" means operations relating to the casino or
2 riverboat facility other than the conduct of gambling
3 activities, and "routine matters" includes the application
4 for, issuance of, renewal of, and other processes associated
5 with municipal permits and licenses.

6 (k) Any official or employee who violates any provision of
7 this Section is guilty of a Class 4 felony.

8 (l) For purposes of this Section, "host community" or "host
9 municipality" means a unit of local government that contains a
10 riverboat or casino within its borders, but does not include
11 the City of Chicago or the Chicago Casino Development
12 Authority.

13 (230 ILCS 10/6) (from Ch. 120, par. 2406)

14 Sec. 6. Application for Owners License.

15 (a) A qualified person may apply to the Board for an owners
16 license to conduct a riverboat gambling operation as provided
17 in this Act. The application shall be made on forms provided by
18 the Board and shall contain such information as the Board
19 prescribes, including but not limited to the identity of the
20 riverboat on which such gambling operation is to be conducted,
21 if applicable, and the exact location where such riverboat or
22 casino will be located ~~located~~, a certification that the
23 riverboat will be registered under this Act at all times during
24 which gambling operations are conducted on board, detailed
25 information regarding the ownership and management of the

1 applicant, and detailed personal information regarding the
2 applicant. Any application for an owners license to be
3 re-issued on or after June 1, 2003 shall also include the
4 applicant's license bid in a form prescribed by the Board.
5 Information provided on the application shall be used as a
6 basis for a thorough background investigation which the Board
7 shall conduct with respect to each applicant. An incomplete
8 application shall be cause for denial of a license by the
9 Board.

10 (a-5) In addition to any other information required under
11 this Section, each application for an owners license must
12 include the following information:

13 (1) The history and success of the applicant and each
14 person and entity disclosed under subsection (c) of this
15 Section in developing tourism facilities ancillary to
16 gaming, if applicable.

17 (2) The likelihood that granting a license to the
18 applicant will lead to the creation of quality, living wage
19 jobs and permanent, full-time jobs for residents of the
20 State and residents of the unit of local government that is
21 designated as the home dock of the proposed facility where
22 gambling is to be conducted by the applicant.

23 (3) The projected number of jobs that would be created
24 if the license is granted and the projected number of new
25 employees at the proposed facility where gambling is to be
26 conducted by the applicant.

1 (4) The record, if any, of the applicant and its
2 developer in meeting commitments to local agencies,
3 community-based organizations, and employees at other
4 locations where the applicant or its developer has
5 performed similar functions as they would perform if the
6 applicant were granted a license.

7 (5) Identification of adverse effects that might be
8 caused by the proposed facility where gambling is to be
9 conducted by the applicant, including the costs of meeting
10 increased demand for public health care, child care, public
11 transportation, affordable housing, and social services,
12 and a plan to mitigate those adverse effects.

13 (6) The record, if any, of the applicant and its
14 developer regarding compliance with:

15 (A) federal, state, and local discrimination, wage
16 and hour, disability, and occupational and
17 environmental health and safety laws; and

18 (B) state and local labor relations and employment
19 laws.

20 (7) The applicant's record, if any, in dealing with its
21 employees and their representatives at other locations.

22 (8) A plan concerning the utilization of
23 minority-owned and female-owned businesses and concerning
24 the hiring of minorities and females.

25 (9) Evidence the applicant used its best efforts to
26 reach a goal of 25% ownership representation by minority

1 persons and 5% ownership representation by females.

2 (b) Applicants shall submit with their application all
3 documents, resolutions, and letters of support from the
4 governing body that represents the municipality or county
5 wherein the licensee will be located ~~dock~~.

6 (c) Each applicant shall disclose the identity of every
7 person or entity ~~, association, trust or corporation~~ having a
8 greater than 1% direct or indirect pecuniary interest in the
9 ~~riverboat~~ gambling operation with respect to which the license
10 is sought. If the disclosed entity is a trust, the application
11 shall disclose the names and addresses of all ~~the~~
12 beneficiaries; if a corporation, the names and addresses of all
13 stockholders and directors; if a partnership, the names and
14 addresses of all partners, both general and limited.

15 (d) An application shall be filed and considered in
16 accordance with the rules of the Board. Each application shall
17 be accompanied by a non-refundable ~~An~~ application fee of
18 \$100,000. In addition, a non-refundable fee of \$50,000 shall be
19 paid at the time of filing to defray the costs associated with
20 the background investigation conducted by the Board. If the
21 costs of the investigation exceed \$50,000, the applicant shall
22 pay the additional amount to the Board within 7 days after
23 requested by the Board. If the costs of the investigation are
24 less than \$50,000, the applicant shall receive a refund of the
25 remaining amount. All information, records, interviews,
26 reports, statements, memoranda or other data supplied to or

1 used by the Board in the course of its review or investigation
2 of an application for a license or a renewal under this Act
3 shall be privileged, strictly confidential and shall be used
4 only for the purpose of evaluating an applicant for a license
5 or a renewal. Such information, records, interviews, reports,
6 statements, memoranda or other data shall not be admissible as
7 evidence, nor discoverable in any action of any kind in any
8 court or before any tribunal, board, agency or person, except
9 for any action deemed necessary by the Board. The application
10 fee shall be deposited into the Gaming Facilities Fee Revenue
11 Fund.

12 (e) The Board shall charge each applicant a fee set by the
13 Department of State Police to defray the costs associated with
14 the search and classification of fingerprints obtained by the
15 Board with respect to the applicant's application. These fees
16 shall be paid into the State Police Services Fund.

17 (f) The licensed owner shall be the person primarily
18 responsible for the boat or casino itself. Only one ~~riverboat~~
19 gambling operation may be authorized by the Board on any
20 riverboat or in any casino. The applicant must identify the
21 ~~each~~ riverboat or premises it intends to use and certify that
22 the riverboat or premises: (1) has the authorized capacity
23 required in this Act; (2) is accessible to disabled persons;
24 and (3) is fully registered and licensed in accordance with any
25 applicable laws.

26 (g) A person who knowingly makes a false statement on an

1 application is guilty of a Class A misdemeanor.

2 (Source: P.A. 96-1392, eff. 1-1-11.)

3 (230 ILCS 10/7) (from Ch. 120, par. 2407)

4 Sec. 7. Owners Licenses.

5 (a) The Board shall issue owners licenses to persons or
6 entities ~~, firms or corporations~~ which apply for such licenses
7 upon payment to the Board of the non-refundable license fee as
8 provided in subsection (e) or (e-5) set by the Board, upon
9 ~~payment of a \$25,000 license fee for the first year of~~
10 ~~operation and a \$5,000 license fee for each succeeding year~~ and
11 upon a determination by the Board that the applicant is
12 eligible for an owners license pursuant to this Act, the
13 Chicago Casino Development Authority Act, and the rules of the
14 Board. From the effective date of this amendatory Act of the
15 95th General Assembly until (i) 3 years after the effective
16 date of this amendatory Act of the 95th General Assembly, (ii)
17 the date any organization licensee begins to operate a slot
18 machine or video game of chance under the Illinois Horse Racing
19 Act of 1975 or this Act, (iii) the date that payments begin
20 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
21 wagering tax imposed under Section 13 of this Act is increased
22 by law to reflect a tax rate that is at least as stringent or
23 more stringent than the tax rate contained in subsection (a-3)
24 of Section 13, or (v) when an owners licensee holding a license
25 issued pursuant to Section 7.1 of this Act begins conducting

1 gaming, whichever occurs first, as a condition of licensure and
2 as an alternative source of payment for those funds payable
3 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
4 ~~Gambling~~ Act, any owners licensee that holds or receives its
5 owners license on or after the effective date of this
6 amendatory Act of the 94th General Assembly, other than an
7 owners licensee operating a riverboat with adjusted gross
8 receipts in calendar year 2004 of less than \$200,000,000, must
9 pay into the Horse Racing Equity Trust Fund, in addition to any
10 other payments required under this Act, an amount equal to 3%
11 of the adjusted gross receipts received by the owners licensee.
12 The payments required under this Section shall be made by the
13 owners licensee to the State Treasurer no later than 3:00
14 o'clock p.m. of the day after the day when the adjusted gross
15 receipts were received by the owners licensee. A person, ~~firm~~
16 or entity ~~corporation~~ is ineligible to receive an owners
17 license if:

18 (1) the person has been convicted of a felony under the
19 laws of this State, any other state, or the United States;

20 (2) the person has been convicted of any violation of
21 Article 28 of the Criminal Code of 1961 or the Criminal
22 Code of 2012, or substantially similar laws of any other
23 jurisdiction;

24 (3) the person has submitted an application for a
25 license under this Act or the Chicago Casino Development
26 Authority Act which contains false information;

1 (4) the person is a member of the Board;

2 (5) a person defined in (1), (2), (3) or (4) is an
3 officer, director or managerial employee of the entity ~~firm~~
4 ~~or corporation~~;

5 (6) the entity ~~firm or corporation~~ employs a person
6 defined in (1), (2), (3) or (4) who participates in the
7 management or operation of gambling operations authorized
8 under this Act or the Chicago Casino Development Authority
9 Act;

10 (7) (blank); or

11 (8) a license of the person or entity ~~, firm or~~
12 ~~corporation~~ issued under this Act or the Chicago Casino
13 Development Authority Act, or a license to own or operate
14 gambling facilities in any other jurisdiction, has been
15 revoked.

16 The Board is expressly prohibited from making changes to
17 the requirement that licensees make payment into the Horse
18 Racing Equity Trust Fund without the express authority of the
19 Illinois General Assembly and making any other rule to
20 implement or interpret this amendatory Act of the 95th General
21 Assembly. For the purposes of this paragraph, "rules" is given
22 the meaning given to that term in Section 1-70 of the Illinois
23 Administrative Procedure Act.

24 (a-1) Upon approval of the members of the Chicago Casino
25 Development Board, the Chicago Casino Development Authority's
26 executive director, and the Chicago casino operator licensee,

1 the Board shall issue an owners license to the Chicago Casino
2 Development Authority that authorizes the conduct of gambling
3 operations in a casino located in the City of Chicago.

4 (b) In determining whether to grant an owners license to an
5 applicant other than the Chicago Casino Development Authority,
6 the Board shall consider:

7 (1) the character, reputation, experience and
8 financial integrity of the applicants and of any other or
9 separate person that either:

10 (A) controls, directly or indirectly, such
11 applicant, or

12 (B) is controlled, directly or indirectly, by such
13 applicant or by a person which controls, directly or
14 indirectly, such applicant;

15 (2) the facilities or proposed facilities for the
16 conduct of ~~riverboat~~ gambling;

17 (3) the highest prospective total revenue to be derived
18 by the State from the conduct of ~~riverboat~~ gambling;

19 (4) the extent to which the ownership of the applicant
20 reflects the diversity of the State by including minority
21 persons, females, and persons with a disability and the
22 good faith affirmative action plan of each applicant to
23 recruit, train and upgrade minority persons, females, and
24 persons with a disability in all employment
25 classifications;

26 (5) the financial ability of the applicant to purchase

1 and maintain adequate liability and casualty insurance;

2 (6) whether the applicant has adequate capitalization
3 to provide and maintain, for the duration of a license, a
4 riverboat or casino;

5 (7) the extent to which the applicant exceeds or meets
6 other standards for the issuance of an owners license which
7 the Board may adopt by rule; ~~and~~

8 (8) the ~~The~~ amount of the applicant's license bid;~~;~~

9 (9) the extent to which the applicant or the proposed
10 host municipality plans to enter into revenue sharing
11 agreements with communities other than the host
12 municipality; and

13 (10) the extent to which the ownership of an applicant
14 includes the most qualified number of minority persons,
15 females, and persons with a disability.

16 (c) Each owners license shall specify the place where the
17 casino ~~riverboats~~ shall operate or the riverboat shall operate
18 and dock.

19 (d) Each applicant shall submit with his application, on
20 forms provided by the Board, 2 sets of his fingerprints.

21 (e) In addition to any licenses authorized under subsection
22 (e-5) of this Section, the ~~The~~ Board may issue up to 10
23 licenses authorizing the holders of such licenses to own
24 riverboats. In the application for an owners license, the
25 applicant shall state the dock at which the riverboat is based
26 and the water on which the riverboat will be located. The Board

1 shall issue 5 licenses to become effective not earlier than
2 January 1, 1991. Three of such licenses shall authorize
3 riverboat gambling on the Mississippi River, or, with approval
4 by the municipality in which the riverboat was docked on August
5 7, 2003 and with Board approval, be authorized to relocate to a
6 new location, in a municipality that (1) borders on the
7 Mississippi River or is within 5 miles of the city limits of a
8 municipality that borders on the Mississippi River and (2), on
9 August 7, 2003, had a riverboat conducting riverboat gambling
10 operations pursuant to a license issued under this Act; one of
11 which shall authorize riverboat gambling from a home dock in
12 the city of East St. Louis. One other license shall authorize
13 riverboat gambling on the Illinois River in Tazewell County or,
14 with Board approval, shall authorize the riverboat to relocate
15 to a new location that is no more than 10 miles away from its
16 original location, in a municipality that borders on the
17 Illinois River or is within 5 miles of the city limits of a
18 municipality that borders on the Illinois River ~~south of~~
19 ~~Marshall County~~. The Board shall issue one additional license
20 to become effective not earlier than March 1, 1992, which shall
21 authorize riverboat gambling on the Des Plaines River in Will
22 County. The Board may issue 4 additional licenses to become
23 effective not earlier than March 1, 1992. In determining the
24 water upon which riverboats will operate, the Board shall
25 consider the economic benefit which riverboat gambling confers
26 on the State, and shall seek to assure that all regions of the

1 State share in the economic benefits of riverboat gambling.

2 In granting all licenses, the Board may give favorable
3 consideration to economically depressed areas of the State, to
4 applicants presenting plans which provide for significant
5 economic development over a large geographic area, and to
6 applicants who currently operate non-gambling riverboats in
7 Illinois. The Board shall review all applications for owners
8 licenses, and shall inform each applicant of the Board's
9 decision. The Board may grant an owners license to an applicant
10 that has not submitted the highest license bid, but if it does
11 not select the highest bidder, the Board shall issue a written
12 decision explaining why another applicant was selected and
13 identifying the factors set forth in this Section that favored
14 the winning bidder. The fee for issuance or renewal of a
15 license pursuant to this subsection (e) shall be \$100,000.

16 (e-5) In addition to licenses authorized under subsection
17 (e) of this Section:

18 (1) the Board shall issue one owners license
19 authorizing the conduct of casino gambling in the City of
20 Chicago;

21 (2) the Board may issue one owners license authorizing
22 the conduct of riverboat gambling in the City of Danville;

23 (3) the Board may issue one owners license authorizing
24 the conduct of riverboat gambling located in Lake County;

25 (4) the Board may issue one owners license authorizing
26 the conduct of riverboat gambling in the City of Rockford;

1 and

2 (5) the Board may issue one owners license authorizing
3 the conduct of riverboat gambling in a municipality that is
4 located in one of the following townships of Cook County:
5 Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township.

6 Each application for a license pursuant to this subsection
7 (e-5) shall be submitted to the Board no later than 6 months
8 after the effective date of this amendatory Act of the 98th
9 General Assembly and shall include the non-refundable
10 application fee and the non-refundable background
11 investigation fee as provided in subsection (d) of Section 6 of
12 this Act. In the event that an applicant submits an application
13 for a license pursuant to this subsection (e-5) prior to the
14 effective date of this amendatory Act of the 98th General
15 Assembly, such applicant shall submit the non-refundable
16 application fee and background investigation fee as provided in
17 subsection (d) of Section 6 of this Act no later than 6 months
18 after the effective date of this amendatory Act of the 98th
19 General Assembly.

20 The Board shall consider issuing a license pursuant to
21 paragraphs (2) through (5) of this subsection only after the
22 corporate authority of the municipality in which the riverboat
23 shall be located has certified to the Board the following:

24 (i) that the applicant has negotiated with the
25 corporate authority in good faith;

26 (ii) that the applicant and the corporate authority

1 have mutually agreed on the permanent location of the
2 riverboat;

3 (iii) that the applicant and the corporate authority
4 have mutually agreed on the temporary location of the
5 riverboat;

6 (iv) that the applicant and the corporate authority
7 have mutually agreed on the percentage of revenues that
8 will be shared with the municipality, if any; and

9 (v) that the applicant and the corporate authority have
10 mutually agreed on any zoning, licensing, public health, or
11 other issues that are within the jurisdiction of the
12 municipality.

13 At least 7 days before the corporate authority of a
14 municipality submits a certification to the Board concerning
15 items (i) through (v) of this subsection, it shall hold a
16 public hearing to discuss items (i) through (v), as well as any
17 other details concerning the proposed riverboat in the
18 municipality. The corporate authority must subsequently
19 memorialize the details concerning the proposed riverboat or
20 casino in a resolution that must be adopted by a majority of
21 the corporate authority before any certification is sent to the
22 Board. The Board shall not alter, amend, change, or otherwise
23 interfere with any agreement between the applicant and the
24 corporate authority of the municipality regarding the location
25 of any temporary or permanent facility.

26 (e-10) The licenses authorized under subsection (e-5) of

1 this Section shall be issued within 12 months after the date
2 the license application is submitted. If the Board does not
3 issue the licenses within that time period, then the Board
4 shall give a written explanation to the applicant as to why it
5 has not reached a determination and when it reasonably expects
6 to make a determination. The fee for the issuance or renewal of
7 a license issued pursuant to this subsection (e-10) shall be
8 \$100,000. Additionally, a licensee located outside of Cook
9 County shall pay a minimum initial fee of \$17,500 per gaming
10 position, and a licensee located in Cook County shall pay a
11 minimum initial fee of \$30,000 per gaming position. The initial
12 fees payable under this subsection (e-10) shall be deposited
13 into the Gaming Facilities Fee Revenue Fund.

14 (e-15) Each licensee of a license authorized under
15 subsection (e-5) of this Section shall make a reconciliation
16 payment 3 years after the date the licensee begins operating in
17 an amount equal to 75% of the adjusted gross receipts for the
18 most lucrative 12-month period of operations, minus an amount
19 equal to the initial payment per gaming position paid by the
20 specific licensee. If this calculation results in a negative
21 amount, then the licensee is not entitled to any reimbursement
22 of fees previously paid. This reconciliation payment may be
23 made in installments over a period of no more than 2 years,
24 subject to Board approval. Any installment payments shall
25 include an annual market interest rate as determined by the
26 Board. All payments by licensees under this subsection (e-15)

1 shall be deposited into the Gaming Facilities Fee Revenue Fund.

2 (e-20) In addition to any other revocation powers granted
3 to the Board under this Act, the Board may revoke the owners
4 license of a licensee which fails to begin conducting gambling
5 within 15 months of receipt of the Board's approval of the
6 application if the Board determines that license revocation is
7 in the best interests of the State.

8 (f) The first 10 owners licenses issued under this Act
9 shall permit the holder to own up to 2 riverboats and equipment
10 thereon for a period of 3 years after the effective date of the
11 license. Holders of the first 10 owners licenses must pay the
12 annual license fee for each of the 3 years during which they
13 are authorized to own riverboats.

14 (g) Upon the termination, expiration, or revocation of each
15 of the first 10 licenses, which shall be issued for a 3 year
16 period, all licenses are renewable annually upon payment of the
17 fee and a determination by the Board that the licensee
18 continues to meet all of the requirements of this Act and the
19 Board's rules. However, for licenses renewed on or after May 1,
20 1998, including casino operator licenses, renewal shall be for
21 a period of 4 years, unless the Board sets a shorter period.

22 (h) An owners license, except for an owners license issued
23 under subsection (e-5) of this Section, shall entitle the
24 licensee to own up to 2 riverboats.

25 An owners licensee of a casino or riverboat that is located
26 in the City of Chicago pursuant to paragraph (1) of subsection

1 (e-5) of this Section shall limit the number of gaming
2 positions to 4,000 for such owner. All other owners licensees A
3 licensee shall limit the number of gaming positions ~~gambling~~
4 ~~participants~~ to 1,600 ~~1,200~~ for any such owners license, except
5 as further provided in subsection (h-10) of this Section. The
6 initial fee for each gaming position obtained on or after the
7 effective date of this amendatory Act of the 98th General
8 Assembly shall be a minimum of \$17,500 for licensees not
9 located in Cook County and a minimum of \$30,000 for licensees
10 located in Cook County, in addition to the reconciliation
11 payment, as set forth in subsections (e-15) or (h-5) of this
12 Section.

13 Each owners licensee shall reserve its gaming positions
14 within 90 days after issuance of its owners license. The Board
15 may grant an extension to this 90-day period, provided that the
16 owners licensee submits a written request and explanation as to
17 why it is unable to reserve its positions within the 90-day
18 period.

19 A licensee may operate both of its riverboats concurrently,
20 provided that the total number of gaming positions ~~gambling~~
21 ~~participants~~ on both riverboats does not exceed the limit
22 established pursuant to this subsection and subsection (h-10)
23 of this Section ~~1,200~~. Riverboats licensed to operate on the
24 Mississippi River and the Illinois River south of Marshall
25 County shall have an authorized capacity of at least 500
26 persons. Any other riverboat licensed under this Act shall have

1 an authorized capacity of at least 400 persons.

2 (h-5) An owners licensee who conducted gambling operations
3 prior to January 1, 2012 and purchases positions pursuant to
4 subsection (h-10) of this Section on or after the effective
5 date of this amendatory Act of the 98th General Assembly must
6 pay a minimum initial fee of \$17,500 per gaming position if the
7 licensee is located outside Cook County and a minimum initial
8 fee of \$30,000 per gaming position if the licensee is located
9 in Cook County, as stated in subsection (h) of this Section.
10 These initial fees shall be deposited into the Gaming
11 Facilities Fee Revenue Fund. Additionally, that owners
12 licensee shall make a reconciliation payment 3 years after any
13 additional gaming positions obtained pursuant to subsection
14 (h-10) begin operating in an amount equal to 75% of the owners
15 licensee's average gross receipts for the most lucrative
16 12-month period of operations minus an amount equal to the
17 initial fee that the owners licensee paid per additional gaming
18 position. For purposes of this subsection (h-5), "average gross
19 receipts" means (i) the increase in adjusted gross receipts for
20 the most lucrative 12-month period of operations over the
21 adjusted gross receipts for 2013, multiplied by (ii) the
22 percentage derived by dividing the number of additional gaming
23 positions that an owners licensee had obtained pursuant to
24 subsection (h-10) by the total number of gaming positions
25 operated by the owners licensee. If this calculation results in
26 a negative amount, then the owners licensee is not entitled to

1 any reimbursement of fees previously paid. This reconciliation
2 payment may be made in installments over a period of no more
3 than 2 years, subject to Board approval. Any installment
4 payments shall include an annual market interest rate as
5 determined by the Board. These reconciliation payments shall be
6 deposited into the Gaming Facilities Fee Revenue Fund.

7 (h-10) For owners licensees authorized under paragraphs
8 (2) through (5) of subsection (e-5) of this Section, the
9 application for such new owners licenses shall ask the
10 applicants to stipulate in their applications the number of
11 gaming positions each applicant would like to reserve, up to
12 1,600 gaming positions. Once the last winning applicant for
13 each of these owners licenses has been selected by the Board,
14 the Board shall publish the number of gaming positions reserved
15 and unreserved by each winning applicant, shall accept requests
16 for additional gaming positions from any winning applicants or
17 owners licensee who initially reserved 1,600 gaming positions,
18 and shall allocate expeditiously the unreserved gaming
19 positions to such requesting winning applicants or owners
20 licensees in a manner to maximize revenue to the State;
21 provided, however, that no owners licensee (other than the
22 Chicago Casino Development Authority) shall obtain more than
23 2,000 positions total. The Board may allocate any such unused
24 gaming positions through a competitive bidding process
25 pursuant to Section 7.5 of this Act.

26 In the event that not all of the unreserved gaming

1 positions described in the first and second paragraphs of this
2 subsection (h-10) were requested by owners licensees and
3 applicants, then until there are no longer unreserved gaming
4 positions, the Board periodically shall govern a process to
5 allocate the unreserved gaming positions in a manner to
6 maximize revenue to the State.

7 Unreserved gaming positions retained from and allocated to
8 owners licensees by the Board pursuant to this subsection
9 (h-10) shall not be allocated to electronic gaming licensees
10 pursuant to subsection (e) of Section 7.6 of this Act.

11 (i) A licensed owner is authorized to apply to the Board
12 for and, if approved therefor, to receive all licenses from the
13 Board necessary for the operation of a riverboat or a casino,
14 including a liquor license, a license to prepare and serve food
15 for human consumption, and other necessary licenses. All use,
16 occupation and excise taxes which apply to the sale of food and
17 beverages in this State and all taxes imposed on the sale or
18 use of tangible personal property apply to such sales aboard
19 the riverboat or in the casino.

20 (j) The Board may issue or re-issue a license authorizing a
21 riverboat to dock in a municipality or approve a relocation
22 under Section 11.2 only if, prior to the issuance or
23 re-issuance of the license or approval, the governing body of
24 the municipality in which the riverboat will dock has by a
25 majority vote approved the docking of riverboats in the
26 municipality. The Board may issue or re-issue a license

1 authorizing a riverboat to dock in areas of a county outside
2 any municipality or approve a relocation under Section 11.2
3 only if, prior to the issuance or re-issuance of the license or
4 approval, the governing body of the county has by a majority
5 vote approved of the docking of riverboats within such areas.

6 (k) An owners licensee may conduct land-based gambling
7 operations upon approval by the Board.

8 (l) An owners licensee may conduct gaming at a temporary
9 facility pending the construction of a permanent facility or
10 the remodeling or relocation of an existing facility to
11 accommodate gaming participants for up to 24 months after the
12 temporary facility begins to conduct gaming. Upon request by an
13 owners licensee and upon a showing of good cause by the owners
14 licensee, the Board shall extend the period during which the
15 licensee may conduct gaming at a temporary facility by up to 12
16 months. The Board shall make rules concerning the conduct of
17 gaming from temporary facilities.

18 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

19 (230 ILCS 10/7.3)

20 Sec. 7.3. State conduct of gambling operations.

21 (a) If, after reviewing each application for a re-issued
22 license, the Board determines that the highest prospective
23 total revenue to the State would be derived from State conduct
24 of the gambling operation in lieu of re-issuing the license,
25 the Board shall inform each applicant of its decision. The

1 Board shall thereafter have the authority, without obtaining an
2 owners license, to conduct casino or riverboat gambling
3 operations as previously authorized by the terminated,
4 expired, revoked, or nonrenewed license through a licensed
5 manager selected pursuant to an open and competitive bidding
6 process as set forth in Section 7.5 and as provided in Section
7 7.4.

8 (b) The Board may locate any casino or riverboat on which a
9 gambling operation is conducted by the State in any home dock
10 or other location authorized by Section 3(c) upon receipt of
11 approval from a majority vote of the governing body of the
12 municipality or county, as the case may be, in which the
13 riverboat will dock.

14 (c) The Board shall have jurisdiction over and shall
15 supervise all gambling operations conducted by the State
16 provided for in this Act and the Chicago Casino Development
17 Authority Act and shall have all powers necessary and proper to
18 fully and effectively execute the provisions of this Act and
19 the Chicago Casino Development Authority Act relating to
20 gambling operations conducted by the State.

21 (d) The maximum number of owners licenses authorized under
22 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
23 which the Board authorizes the State to conduct a casino or
24 riverboat gambling operation under subsection (a) in lieu of
25 re-issuing a license to an applicant under Section 7.1.

26 (Source: P.A. 93-28, eff. 6-20-03.)

1 (230 ILCS 10/7.5)

2 Sec. 7.5. Competitive Bidding. When the Board determines
3 that (i) it will re-issue an owners license pursuant to an open
4 and competitive bidding process, as set forth in Section 7.1,
5 (ii) ~~or that~~ it will issue a managers license pursuant to an
6 open and competitive bidding process, as set forth in Section
7 7.4, (iii) it will issue an owners license pursuant to an open
8 and competitive bidding process, as set forth in Section 7.11,
9 or (iv) it will allocate unused gaming positions pursuant to an
10 open and competitive bidding process, as set forth in
11 subsection (h-10) of Section 7, the open and competitive
12 bidding process shall adhere to the following procedures:

13 (1) The Board shall make applications for owners and
14 managers licenses available to the public and allow a
15 reasonable time for applicants to submit applications to the
16 Board.

17 (2) During the filing period for owners or managers license
18 applications, the Board may retain the services of an
19 investment banking firm to assist the Board in conducting the
20 open and competitive bidding process.

21 (3) After receiving all of the bid proposals, the Board
22 shall open all of the proposals in a public forum and disclose
23 the prospective owners or managers names, venture partners, if
24 any, and, in the case of applicants for owners licenses, the
25 locations of the proposed development sites.

1 (4) The Board shall summarize the terms of the proposals
2 and may make this summary available to the public.

3 (5) The Board shall evaluate the proposals within a
4 reasonable time and select no more than 3 final applicants to
5 make presentations of their proposals to the Board.

6 (6) The final applicants shall make their presentations to
7 the Board on the same day during an open session of the Board.

8 (7) As soon as practicable after the public presentations
9 by the final applicants, the Board, in its discretion, may
10 conduct further negotiations among the 3 final applicants.
11 During such negotiations, each final applicant may increase its
12 license bid or otherwise enhance its bid proposal. At the
13 conclusion of such negotiations, the Board shall select the
14 winning proposal. In the case of negotiations for an owners
15 license, the Board may, at the conclusion of such negotiations,
16 make the determination allowed under Section 7.3(a).

17 (8) Upon selection of a winning bid, the Board shall
18 evaluate the winning bid within a reasonable period of time for
19 licensee suitability in accordance with all applicable
20 statutory and regulatory criteria.

21 (9) If the winning bidder is unable or otherwise fails to
22 consummate the transaction, (including if the Board determines
23 that the winning bidder does not satisfy the suitability
24 requirements), the Board may, on the same criteria, select from
25 the remaining bidders or make the determination allowed under
26 Section 7.3(a).

1 (Source: P.A. 93-28, eff. 6-20-03.)

2 (230 ILCS 10/7.6 new)

3 Sec. 7.6. Electronic gaming.

4 (a) The General Assembly finds that the horse racing and
5 riverboat gambling industries share many similarities and
6 collectively comprise the bulk of the State's gaming industry.
7 One feature common to both industries is that each is highly
8 regulated by the State of Illinois. The General Assembly
9 further finds, however, that despite their shared features each
10 industry is distinct from the other in that horse racing is and
11 continues to be intimately tied to Illinois' agricultural
12 economy and is, at its core, a spectator sport. This
13 distinction requires the General Assembly to utilize different
14 methods to regulate and promote the horse racing industry
15 throughout the State. The General Assembly finds that in order
16 to promote live horse racing as a spectator sport in Illinois
17 and the agricultural economy of this State, it is necessary to
18 allow electronic gaming at Illinois race tracks as an ancillary
19 use given the success of other states in increasing live racing
20 purse accounts and improving the quality of horses
21 participating in horse race meetings.

22 (b) The Illinois Gaming Board shall award one electronic
23 gaming license to each person or entity having operating
24 control of a race track that applies under Section 56 of the
25 Illinois Horse Racing Act of 1975, subject to the application

1 and eligibility requirements of this Section. Within 60 days
2 after the effective date of this amendatory Act of the 98th
3 General Assembly, a person or entity having operating control
4 of a race track may submit an application for an electronic
5 gaming license. The application shall be made on such forms as
6 provided by the Board and shall contain such information as the
7 Board prescribes, including, but not limited to, the identity
8 of any race track at which electronic gaming will be conducted,
9 detailed information regarding the ownership and management of
10 the applicant, and detailed personal information regarding the
11 applicant. The application shall specify the number of gaming
12 positions the applicant intends to use and the place where the
13 electronic gaming facility will operate. A person who knowingly
14 makes a false statement on an application is guilty of a Class
15 A misdemeanor.

16 Each applicant shall disclose the identity of every person
17 or entity having a direct or indirect pecuniary interest
18 greater than 1% in any race track with respect to which the
19 license is sought. If the disclosed entity is a corporation,
20 the applicant shall disclose the names and addresses of all
21 stockholders and directors. If the disclosed entity is a
22 limited liability company, the applicant shall disclose the
23 names and addresses of all members and managers. If the
24 disclosed entity is a partnership, the applicant shall disclose
25 the names and addresses of all partners, both general and
26 limited. If the disclosed entity is a trust, the applicant

1 shall disclose the names and addresses of all beneficiaries.

2 An application shall be filed and considered in accordance
3 with the rules of the Board. Each application for an electronic
4 gaming license shall include a non-refundable application fee
5 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
6 be paid at the time of filing to defray the costs associated
7 with background investigations conducted by the Board. If the
8 costs of the background investigation exceed \$50,000, the
9 applicant shall pay the additional amount to the Board within 7
10 days after a request by the Board. If the costs of the
11 investigation are less than \$50,000, the applicant shall
12 receive a refund of the remaining amount. All information,
13 records, interviews, reports, statements, memoranda, or other
14 data supplied to or used by the Board in the course of this
15 review or investigation of an applicant for an electronic
16 gaming license under this Act shall be privileged and strictly
17 confidential and shall be used only for the purpose of
18 evaluating an applicant for an electronic gaming license or a
19 renewal. Such information, records, interviews, reports,
20 statements, memoranda, or other data shall not be admissible as
21 evidence nor discoverable in any action of any kind in any
22 court or before any tribunal, board, agency or person, except
23 for any action deemed necessary by the Board. The application
24 fee shall be deposited into the Gaming Facilities Fee Revenue
25 Fund.

26 Each applicant shall submit with his or her application, on

1 forms provided by the Board, 2 sets of his or her fingerprints.
2 The Board shall charge each applicant a fee set by the
3 Department of State Police to defray the costs associated with
4 the search and classification of fingerprints obtained by the
5 Board with respect to the applicant's application. This fee
6 shall be paid into the State Police Services Fund.

7 An application of any person or entity having operating
8 control of a race track at which 10 or more persons have worked
9 in the prior year providing or preparing food or beverage or
10 performing custodial or maintenance work must include written
11 proof that the person or entity has entered into a labor peace
12 agreement with each labor organization that is actively engaged
13 in representing and attempting to represent food and beverage,
14 hospitality, custodial, and maintenance workers in this State.
15 If the application does not include the written proof that the
16 applicant has entered into the labor peace agreement, then the
17 application shall not be processed and the application must be
18 resubmitted. For the purposes of this paragraph, "labor peace
19 agreement" means an agreement in which a labor organization
20 waives the right of itself and its members to strike, picket,
21 or otherwise boycott the operation for at least 3 years.

22 (c) The Board shall determine within 120 days after
23 receiving an application for an electronic gaming license
24 whether to grant an electronic gaming license to the applicant.
25 If the Board does not make a determination within that time
26 period, then the Board shall give a written explanation to the

1 applicant as to why it has not reached a determination and when
2 it reasonably expects to make a determination.

3 The electronic gaming licensee shall purchase up to the
4 amount of electronic gaming positions authorized under this Act
5 within 120 days after receiving its electronic gaming license.
6 If an electronic gaming licensee is prepared to purchase the
7 electronic gaming positions, but is temporarily prohibited
8 from doing so by order of a court of competent jurisdiction or
9 the Board, then the 120-day period is tolled until a resolution
10 is reached.

11 An electronic gaming license shall authorize its holder to
12 conduct electronic gaming at its race track at the following
13 times:

14 (1) On days when it conducts live racing at the track
15 where its electronic gaming facility is located, from 8:00
16 a.m. until 3:00 a.m. on the following day.

17 (2) On days when it is scheduled to conduct simulcast
18 wagering on races run in the United States, from 8:00 a.m.
19 until 3:00 a.m. on the following day.

20 Additionally, the Board may extend these days of operation
21 and hours upon request by an organization licensee as the Board
22 sees fit.

23 A license to conduct electronic gaming and any renewal of
24 an electronic gaming license shall authorize electronic gaming
25 for a period of 4 years. The fee for the issuance or renewal of
26 an electronic gaming license shall be \$100,000.

1 (d) To be eligible to conduct electronic gaming, a person
2 or entity having operating control of a race track must (i)
3 obtain an electronic gaming license, (ii) hold an organization
4 license under the Illinois Horse Racing Act of 1975, (iii) hold
5 an inter-track wagering license, (iv) pay an initial fee of
6 \$30,000 per gaming position from electronic gaming licensees
7 where electronic gaming is conducted in Cook County and \$17,500
8 for electronic gaming licensees where electronic gaming is
9 located outside of Cook County before beginning to conduct
10 electronic gaming plus make the reconciliation payment
11 required under subsection (i), (v) conduct at least 240 live
12 races at each track per year or for a licensee that is only
13 authorized 350 gaming positions pursuant to subsection (d) of
14 Section 7.6 of this Act, have a fully operational facility
15 running at least 96 live races over a period of at least 15
16 days per year until such time as the total number of gaming
17 positions is increased to 900, (vi) meet the requirements of
18 subsection (a) of Section 56 of the Illinois Horse Racing Act
19 of 1975, (vii) for organization licensees conducting
20 standardbred race meetings that had an open backstretch in
21 2009, keep backstretch barns and dormitories open and
22 operational year-round unless a lesser schedule is mutually
23 agreed to by the organization licensee and the horsemen's
24 association racing at that organization licensee's race
25 meeting, (viii) for organization licensees conducting
26 thoroughbred race meetings, the organization licensee must

1 maintain accident medical expense liability insurance coverage
2 of \$1,000,000 for jockeys, and (ix) meet all other requirements
3 of this Act that apply to owners licensees. Only those persons
4 or entities (or its successors or assigns) that had operating
5 control of a race track and held an inter-track wagering
6 license authorized by the Illinois Racing Board in 2009 are
7 eligible.

8 An electronic gaming licensee may enter into a joint
9 venture with a licensed owner to own, manage, conduct, or
10 otherwise operate the electronic gaming licensee's electronic
11 gaming facilities, unless the electronic gaming licensee has a
12 parent company or other affiliated company that is, directly or
13 indirectly, wholly owned by a parent company that is also
14 licensed to conduct electronic gaming, casino gaming, or their
15 equivalent in another state.

16 All payments by licensees under this subsection (c) shall
17 be deposited into the Gaming Facilities Fee Revenue Fund.

18 (e) A person or entity is ineligible to receive an
19 electronic gaming license if:

20 (1) the person or entity has been convicted of a felony
21 under the laws of this State, any other state, or the
22 United States, including a conviction under the Racketeer
23 Influenced and Corrupt Organizations Act;

24 (2) the person or entity has been convicted of any
25 violation of Article 28 of the Criminal Code of 2012, or
26 substantially similar laws of any other jurisdiction;

1 (3) the person or entity has submitted an application
2 for a license under this Act that contains false
3 information;

4 (4) the person is a member of the Board;

5 (5) a person defined in (1), (2), (3), or (4) of this
6 subsection (e) is an officer, director, or managerial
7 employee of the entity;

8 (6) the person or entity employs a person defined in
9 (1), (2), (3), or (4) of this subsection (e) who
10 participates in the management or operation of gambling
11 operations authorized under this Act; or

12 (7) a license of the person or entity issued under this
13 Act or a license to own or operate gambling facilities in
14 any other jurisdiction has been revoked.

15 (f) The Board may approve electronic gaming positions
16 statewide as provided in this Section. The authority to operate
17 electronic gaming positions under this Section shall be
18 allocated as follows: up to 1,200 gaming positions for any
19 electronic gaming licensee in Cook County whose electronic
20 gaming license originates with an organization licensee that
21 conducted live racing in calendar year 2010; up to 900 gaming
22 positions for any electronic gaming licensee outside of Cook
23 County whose electronic gaming license originates with an
24 organization licensee that conducted live racing in calendar
25 year 2010; and up to 350 gaming positions for any electronic
26 gaming licensee whose electronic gaming license originates

1 with an organization licensee that did not conduct live racing
2 in calendar year 2010, which shall increase to 900 gaming
3 positions in the calendar year following the year in which the
4 electronic gaming licensee conducts 96 live races.

5 (g) Each applicant for an electronic gaming license shall
6 specify in its application for licensure the number of gaming
7 positions it will operate, up to the applicable limitation set
8 forth in subsection (f) of this Section. Any unreserved gaming
9 positions that are not specified shall be forfeited and
10 retained by the Board. For the purposes of this subsection (g),
11 an electronic gaming licensee that did not conduct live racing
12 in 2010 may reserve up to 900 positions and shall not be
13 penalized under this Section for not operating those positions
14 until it meets the requirements of subsection (f) of this
15 Section, but such licensee shall not request unreserved gaming
16 positions under this subsection (g) until its 900 positions are
17 all operational.

18 Thereafter, the Board shall publish the number of
19 unreserved electronic gaming positions and shall accept
20 requests for additional positions from any electronic gaming
21 licensee that initially reserved all of the positions that were
22 offered. The Board shall allocate expeditiously the unreserved
23 electronic gaming positions to requesting electronic gaming
24 licensees in a manner that maximizes revenue to the State. The
25 Board may allocate any such unused electronic gaming positions
26 pursuant to an open and competitive bidding process, as

1 provided under Section 7.5 of this Act. This process shall
2 continue until all unreserved gaming positions have been
3 purchased. All positions obtained pursuant to this process and
4 all positions the electronic gaming licensee specified it would
5 operate in its application must be in operation within 18
6 months after they were obtained or the electronic gaming
7 licensee forfeits the right to operate those positions, but is
8 not entitled to a refund of any fees paid. The Board may, after
9 holding a public hearing, grant extensions so long as the
10 electronic gaming licensee is working in good faith to make the
11 positions operational. The extension may be for a period of 6
12 months. If, after the period of the extension, the electronic
13 gaming licensee has not made the positions operational, then
14 another public hearing must be held by the Board before it may
15 grant another extension.

16 Unreserved gaming positions retained from and allocated to
17 electronic gaming licensees by the Board pursuant to this
18 subsection (g) shall not be allocated to owners licensees
19 pursuant to subsection (h-10) of Section 7 of this Act.

20 For the purpose of this subsection (g), the unreserved
21 gaming positions for each electronic gaming licensee shall be
22 the applicable limitation set forth in subsection (f) of this
23 Section, less the number of reserved gaming positions by such
24 electronic gaming licensee, and the total unreserved gaming
25 positions shall be the aggregate of the unreserved gaming
26 positions for all electronic gaming licensees.

1 (h) Subject to the approval of the Illinois Gaming Board,
2 an electronic gaming licensee may make modification or
3 additions to any existing buildings and structures to comply
4 with the requirements of this Act. The Illinois Gaming Board
5 shall make its decision after consulting with the Illinois
6 Racing Board. In no case, however, shall the Illinois Gaming
7 Board approve any modification or addition that alters the
8 grounds of the organizational licensee such that the act of
9 live racing is an ancillary activity to electronic gaming.
10 Electronic gaming may take place in existing structures where
11 inter-track wagering is conducted at the race track or a
12 facility within 300 yards of the race track in accordance with
13 the provisions of this Act and the Illinois Horse Racing Act of
14 1975.

15 (i) An electronic gaming licensee may conduct electronic
16 gaming at a temporary facility pending the construction of a
17 permanent facility or the remodeling or relocation of an
18 existing facility to accommodate electronic gaming
19 participants for up to 24 months after the temporary facility
20 begins to conduct electronic gaming. Upon request by an
21 electronic gaming licensee and upon a showing of good cause by
22 the electronic gaming licensee, the Board shall extend the
23 period during which the licensee may conduct electronic gaming
24 at a temporary facility by up to 12 months. The Board shall
25 make rules concerning the conduct of electronic gaming from
26 temporary facilities.

1 Electronic gaming may take place in existing structures
2 where inter-track wagering is conducted at the race track or a
3 facility within 300 yards of the race track in accordance with
4 the provisions of this Act and the Illinois Horse Racing Act of
5 1975. Any electronic gaming conducted at a permanent facility
6 within 300 yards of the race track in accordance with this Act
7 and the Illinois Horse Racing Act of 1975 shall have an
8 all-weather egress connecting the electronic gaming facility
9 and the race track facility or, on days and hours of live
10 racing, a complimentary shuttle service between the permanent
11 electronic gaming facility and the race track facility and
12 shall not charge electronic gaming participants an additional
13 admission fee to the race track facility.

14 (j) The Illinois Gaming Board must adopt emergency rules in
15 accordance with Section 5-45 of the Illinois Administrative
16 Procedure Act as necessary to ensure compliance with the
17 provisions of this amendatory Act of the 98th General Assembly
18 concerning electronic gaming. The adoption of emergency rules
19 authorized by this subsection (j) shall be deemed to be
20 necessary for the public interest, safety, and welfare.

21 (k) Each electronic gaming licensee who obtains electronic
22 gaming positions must make a reconciliation payment 3 years
23 after the date the electronic gaming licensee begins operating
24 the positions in an amount equal to 75% of the difference
25 between its adjusted gross receipts from electronic gaming and
26 amounts paid to its purse accounts pursuant to item (1) of

1 subsection (b) of Section 56 of the Illinois Horse Racing Act
2 of 1975 for the 12-month period for which such difference was
3 the largest, minus an amount equal to the initial per position
4 fee paid by the electronic gaming licensee. If this calculation
5 results in a negative amount, then the electronic gaming
6 licensee is not entitled to any reimbursement of fees
7 previously paid. This reconciliation payment may be made in
8 installments over a period of no more than 2 years, subject to
9 Board approval. Any installment payments shall include an
10 annual market interest rate as determined by the Board.

11 All payments by licensees under this subsection (i) shall
12 be deposited into the Gaming Facilities Fee Revenue Fund.

13 (1) As soon as practical after a request is made by the
14 Illinois Gaming Board, to minimize duplicate submissions by the
15 applicant, the Illinois Racing Board must provide information
16 on an applicant for an electronic gaming license to the
17 Illinois Gaming Board.

18 (m) Subject to the approval of the Illinois Gaming Board,
19 an organization licensee that has received an electronic gaming
20 license under this Act and has operating control of a race
21 track facility located in Cook County may relocate its race
22 track facility as follows:

23 (1) the organization licensee may relocate within a
24 3-mile radius of its existing race track facility so long
25 as the organization licensee remains in Cook County and
26 submits its plan to construct a new structure to conduct

1 electronic gaming operations; and

2 (2) the organization licensee may not relocate within a
3 5-mile radius of a riverboat if the owners license was
4 issued prior to December 31, 2011.

5 The relocation must include the race track facility, including
6 the race track operations used to conduct live racing and the
7 electronic gaming facility in its entirety. For the purposes of
8 this subsection (m), "race track facility" means all operations
9 conducted on the race track property for which it was awarded a
10 license for pari-mutuel wagering and live racing in the year
11 2010, except for the real estate itself. The Illinois Gaming
12 Board shall make its decision after consulting with the
13 Illinois Racing Board, and any relocation application shall be
14 subject to all of the provisions of this Act and the Illinois
15 Horse Racing Act of 1975.

16 (230 ILCS 10/7.7 new)

17 Sec. 7.7. Home rule. The regulation and licensing of
18 electronic gaming and electronic gaming licensees are
19 exclusive powers and functions of the State. A home rule unit
20 may not regulate or license electronic gaming or electronic
21 gaming licensees. This Section is a denial and limitation of
22 home rule powers and functions under subsection (h) of Section
23 6 of Article VII of the Illinois Constitution.

24 (230 ILCS 10/7.8 new)

1 Sec. 7.8. Casino operator license.

2 (a) A qualified person may apply to the Board for a casino
3 operator license to operate and manage any gambling operation
4 conducted by the Authority. The application shall be made on
5 forms provided by the Board and shall contain such information
6 as the Board prescribes, including but not limited to
7 information required in Sections 6(a), (b), and (c) and
8 information relating to the applicant's proposed price to
9 manage the Authority's gambling operations and to provide the
10 casino, gambling equipment, and supplies necessary to conduct
11 Authority gambling operations. The application shall also
12 include a non-refundable application fee of \$100,000. This
13 application fee shall be deposited into the Gaming Facilities
14 Fee Revenue Fund.

15 (b) A person or entity is ineligible to receive a casino
16 operator license if:

17 (1) the person has been convicted of a felony under the
18 laws of this State, any other state, or the United States;

19 (2) the person has been convicted of any violation of
20 Article 28 of the Criminal Code of 2012, or substantially
21 similar laws of any other jurisdiction;

22 (3) the person has submitted an application for a
23 license under this Act or the Chicago Casino Development
24 Authority Act which contains false information;

25 (4) the person is a member of the Board or the Chicago
26 Casino Development Board or the person is an official or

1 employee of the Chicago Casino Development Authority or the
2 City of Chicago;

3 (5) a person defined in (1), (2), (3), or (4) is an
4 officer, director, or managerial employee of the entity;

5 (6) the entity employs a person defined in (1), (2),
6 (3), or (4) who participates in the management or operation
7 of gambling operations authorized under this Act; or

8 (7) a license of the person or entity issued under this
9 Act, or a license to own or operate gambling facilities in
10 any other jurisdiction, has been revoked.

11 (c) In determining whether to grant a casino operator
12 license, the Board shall consider:

13 (1) the character, reputation, experience and
14 financial integrity of the applicants and of any other or
15 separate person that either:

16 (A) controls, directly or indirectly, such
17 applicant, or

18 (B) is controlled, directly or indirectly, by such
19 applicant or by a person which controls, directly or
20 indirectly, such applicant;

21 (2) the facilities or proposed facilities for the
22 conduct of gambling;

23 (3) the preference of the municipality in which the
24 licensee will operate;

25 (4) the extent to which the ownership of the applicant
26 reflects the diversity of the State by including minority

1 persons and females and the good faith affirmative action
2 plan of each applicant to recruit, train, and upgrade
3 minority persons and females in all employment
4 classifications;

5 (5) the financial ability of the applicant to purchase
6 and maintain adequate liability and casualty insurance;

7 (6) whether the applicant has adequate capitalization
8 to provide and maintain, for the duration of a license, a
9 casino; and

10 (7) the extent to which the applicant exceeds or meets
11 other standards for the issuance of a casino operator
12 license that the Board may adopt by rule.

13 (d) Each applicant shall submit with his or her
14 application, on forms prescribed by the Board, 2 sets of his or
15 her fingerprints. The Board shall charge each applicant a fee
16 set by the Department of State Police to defray the costs
17 associated with the search and classification of fingerprints
18 obtained by the Board with respect to the applicant's
19 application. This fee shall be paid into the State Police
20 Services Fund.

21 (e) A person who knowingly makes a false statement on an
22 application is guilty of a Class A misdemeanor.

23 (f) The Board shall charge each applicant a non-refundable
24 fee of \$50,000 to defray the costs associated with the
25 background investigation conducted by the Board. This fee shall
26 be exclusive of any other fee or fees charged in connection

1 with an application for and, if applicable, the issuance of, a
2 casino operator license. If the costs of the investigation
3 exceed \$50,000, the Board shall immediately notify the
4 applicant of the additional amount owed, payment of which must
5 be submitted to the Board within 7 days after such
6 notification. All information, records, interviews, reports,
7 statements, memoranda, or other data supplied to or used by the
8 Board in the course of its review or investigation of an
9 application for a license or a renewal under this Act shall be
10 privileged and strictly confidential and shall be used only for
11 the purpose of evaluating an applicant for a license or a
12 renewal. Such information, records, interviews, reports,
13 statements, memoranda, or other data shall not be admissible as
14 evidence, nor discoverable in any action of any kind in any
15 court or before any tribunal, board, agency, or person, except
16 for any action deemed necessary by the Board.

17 (g) The casino operator license shall be issued only upon
18 proof that the applicant has entered into a labor peace
19 agreement with each labor organization that is actively engaged
20 in representing and attempting to represent casino and
21 hospitality industry workers in this State. The labor peace
22 agreement must be a valid and enforceable agreement under 29
23 U.S.C. 185 that protects the city's and State's revenues from
24 the operation of the casino facility by prohibiting the labor
25 organization and its members from engaging in any picketing,
26 work stoppages, boycotts, or any other economic interference

1 with the casino facility for at least the first 5 years of the
2 casino license and must cover all operations at the casino
3 facility that are conducted by lessees or tenants or under
4 management agreements.

5 (h) The casino operator license shall be for a term of 4
6 years, shall be renewable by the Board, and shall contain such
7 terms and provisions as the Board deems necessary to protect or
8 enhance the credibility and integrity of State gambling
9 operations, achieve the highest prospective total revenue to
10 the State, and otherwise serve the interests of the citizens of
11 Illinois. The Board may suspend, restrict, or revoke the
12 license:

13 (1) for violation of any provision of this Act;

14 (2) for violation of any rules of the Board;

15 (3) for any cause which, if known to the Board, would
16 have disqualified the applicant from receiving the
17 license; or

18 (4) for any other just cause.

19 (230 ILCS 10/7.9 new)

20 Sec. 7.9. Diversity program.

21 (a) Each owners licensee, electronic gaming licensee,
22 casino operator licensee, and suppliers licensee shall
23 establish and maintain a diversity program to ensure
24 non-discrimination in the award and administration of
25 contracts. The programs shall establish goals of awarding not

1 less than 20% of the annual dollar value of all contracts,
2 purchase orders, or other agreements to minority-owned
3 businesses and 5% of the annual dollar value of all contracts
4 to female-owned businesses.

5 (b) Each owners licensee, electronic gaming licensee,
6 casino operator licensee, and suppliers licensee shall
7 establish and maintain a diversity program designed to promote
8 equal opportunity for employment. The program shall establish
9 hiring goals as the Board and each licensee determines
10 appropriate. The Board shall monitor the progress of the gaming
11 licensee's progress with respect to the program's goals.

12 (c) No later than May 31 of each year, each licensee shall
13 report to the Board the number of respective employees and the
14 number of their respective employees who have designated
15 themselves as members of a minority group and gender. In
16 addition, all licensees shall submit a report with respect to
17 the minority-owned and female-owned businesses program created
18 in this Section to the Board.

19 (230 ILCS 10/7.10 new)

20 Sec. 7.10. Annual report on diversity.

21 (a) Each licensee that receives a license under Sections 7,
22 7.1, and 7.6 shall execute and file a report with the Board no
23 later than December 31 of each year that shall contain, but not
24 be limited to, the following information:

25 (i) a good faith affirmative action plan to recruit,

1 train, and upgrade minority persons, females, and persons
2 with a disability in all employment classifications;

3 (ii) the total dollar amount of contracts that were
4 awarded to businesses owned by minority persons, females,
5 and persons with a disability;

6 (iii) the total number of businesses owned by minority
7 persons, females, and persons with a disability that were
8 utilized by the licensee;

9 (iv) the utilization of businesses owned by minority
10 persons, females, and persons with disabilities during the
11 preceding year; and

12 (v) the outreach efforts used by the licensee to
13 attract investors and businesses consisting of minority
14 persons, females, and persons with a disability.

15 (b) The Board shall forward a copy of each licensee's
16 annual reports to the General Assembly no later than February 1
17 of each year.

18 (230 ILCS 10/7.11 new)

19 Sec. 7.11. Issuance of new owners licenses.

20 (a) Except for the owners license issued to the Chicago
21 Casino Development Authority, owners licenses newly authorized
22 pursuant to this amendatory Act of the 98th General Assembly
23 may be issued by the Board to a qualified applicant pursuant to
24 an open and competitive bidding process, as set forth in
25 Section 7.5, and subject to the maximum number of authorized

1 licenses set forth in subsection (e-5) of Section 7 of this
2 Act.

3 (b) To be a qualified applicant, a person or entity may not
4 be ineligible to receive an owners license under subsection (a)
5 of Section 7 of this Act and must submit an application for an
6 owners license that complies with Section 6 of this Act.

7 (c) In determining whether to grant an owners license to an
8 applicant, the Board shall consider all of the factors set
9 forth in subsections (b) and (e-10) of Section 7 of this Act,
10 as well as the amount of the applicant's license bid. The Board
11 may grant the owners license to an applicant that has not
12 submitted the highest license bid, but if it does not select
13 the highest bidder, the Board shall issue a written decision
14 explaining why another applicant was selected and identifying
15 the factors set forth in subsections (b) and (e-10) of Section
16 7 of this Act that favored the winning bidder.

17 (230 ILCS 10/7.12 new)

18 Sec. 7.12. Environmental standards. All permanent
19 casinos, riverboats, and electronic gaming facilities shall
20 consist of buildings that are certified as meeting the U.S.
21 Green Building Council's Leadership in Energy and
22 Environmental Design standards. The provisions of this Section
23 apply to a holder of an owners license, casino operator
24 license, or electronic gaming license that (i) begins
25 operations on or after January 1, 2013 or (ii) relocates its

1 facilities on or after the effective date of this amendatory
2 Act of the 98th General Assembly.

3 (230 ILCS 10/8) (from Ch. 120, par. 2408)

4 Sec. 8. Suppliers licenses.

5 (a) The Board may issue a suppliers license to such
6 persons, firms or corporations which apply therefor upon the
7 payment of a non-refundable application fee set by the Board,
8 upon a determination by the Board that the applicant is
9 eligible for a suppliers license and upon payment of a \$5,000
10 annual license fee.

11 (b) The holder of a suppliers license is authorized to sell
12 or lease, and to contract to sell or lease, gambling equipment
13 and supplies to any licensee involved in the ownership or
14 management of gambling operations.

15 (c) Gambling supplies and equipment may not be distributed
16 unless supplies and equipment conform to standards adopted by
17 rules of the Board.

18 (d) A person, firm or corporation is ineligible to receive
19 a suppliers license if:

20 (1) the person has been convicted of a felony under the
21 laws of this State, any other state, or the United States;

22 (2) the person has been convicted of any violation of
23 Article 28 of the Criminal Code of 1961 or the Criminal
24 Code of 2012, or substantially similar laws of any other
25 jurisdiction;

1 (3) the person has submitted an application for a
2 license under this Act which contains false information;

3 (4) the person is a member of the Board;

4 (5) the entity ~~firm or corporation~~ is one in which a
5 person defined in (1), (2), (3) or (4), is an officer,
6 director or managerial employee;

7 (6) the firm or corporation employs a person who
8 participates in the management or operation of riverboat
9 gambling authorized under this Act or the Chicago Casino
10 Development Authority Act;

11 (7) the license of the person, firm or corporation
12 issued under this Act or the Chicago Casino Development
13 Authority Act, or a license to own or operate gambling
14 facilities in any other jurisdiction, has been revoked.

15 (e) Any person that supplies any equipment, devices, or
16 supplies to a licensed riverboat gambling operation or casino
17 or electronic gaming operation must first obtain a suppliers
18 license. A supplier shall furnish to the Board a list of all
19 equipment, devices and supplies offered for sale or lease in
20 connection with gambling games authorized under this Act. A
21 supplier shall keep books and records for the furnishing of
22 equipment, devices and supplies to gambling operations
23 separate and distinct from any other business that the supplier
24 might operate. A supplier shall file a quarterly return with
25 the Board listing all sales and leases. A supplier shall
26 permanently affix its name to all its equipment, devices, and

1 supplies for gambling operations. Any supplier's equipment,
2 devices or supplies which are used by any person in an
3 unauthorized gambling operation shall be forfeited to the
4 State. A holder of an owners license or an electronic gaming
5 license ~~A licensed owner~~ may own its own equipment, devices and
6 supplies. Each holder of an owners license or an electronic
7 gaming license under the Act shall file an annual report
8 listing its inventories of gambling equipment, devices and
9 supplies.

10 (f) Any person who knowingly makes a false statement on an
11 application is guilty of a Class A misdemeanor.

12 (g) Any gambling equipment, devices and supplies provided
13 by any licensed supplier may either be repaired on the
14 riverboat, in the casino, or at the electronic gaming facility
15 or removed from the riverboat, casino, or electronic gaming
16 facility to a an on shore facility owned by the holder of an
17 owners license or electronic gaming license for repair.

18 (Source: P.A. 97-1150, eff. 1-25-13.)

19 (230 ILCS 10/9) (from Ch. 120, par. 2409)

20 Sec. 9. Occupational licenses.

21 (a) The Board may issue an occupational license to an
22 applicant upon the payment of a non-refundable fee set by the
23 Board, upon a determination by the Board that the applicant is
24 eligible for an occupational license and upon payment of an
25 annual license fee in an amount to be established. To be

1 eligible for an occupational license, an applicant must:

2 (1) be at least 21 years of age if the applicant will
3 perform any function involved in gaming by patrons. Any
4 applicant seeking an occupational license for a non-gaming
5 function shall be at least 18 years of age;

6 (2) not have been convicted of a felony offense, a
7 violation of Article 28 of the Criminal Code of 1961 or the
8 Criminal Code of 2012, or a similar statute of any other
9 jurisdiction;

10 (2.5) not have been convicted of a crime, other than a
11 crime described in item (2) of this subsection (a),
12 involving dishonesty or moral turpitude, except that the
13 Board may, in its discretion, issue an occupational license
14 to a person who has been convicted of a crime described in
15 this item (2.5) more than 10 years prior to his or her
16 application and has not subsequently been convicted of any
17 other crime;

18 (3) have demonstrated a level of skill or knowledge
19 which the Board determines to be necessary in order to
20 operate gambling aboard a riverboat, in a casino, or at an
21 electronic gaming facility; and

22 (4) have met standards for the holding of an
23 occupational license as adopted by rules of the Board. Such
24 rules shall provide that any person or entity seeking an
25 occupational license to manage gambling operations under
26 this Act or the Chicago Casino Development Authority Act

1 ~~hereunder~~ shall be subject to background inquiries and
2 further requirements similar to those required of
3 applicants for an owners license. Furthermore, such rules
4 shall provide that each such entity shall be permitted to
5 manage gambling operations for only one licensed owner.

6 (b) Each application for an occupational license shall be
7 on forms prescribed by the Board and shall contain all
8 information required by the Board. The applicant shall set
9 forth in the application: whether he has been issued prior
10 gambling related licenses; whether he has been licensed in any
11 other state under any other name, and, if so, such name and his
12 age; and whether or not a permit or license issued to him in
13 any other state has been suspended, restricted or revoked, and,
14 if so, for what period of time.

15 (c) Each applicant shall submit with his application, on
16 forms provided by the Board, 2 sets of his fingerprints. The
17 Board shall charge each applicant a fee set by the Department
18 of State Police to defray the costs associated with the search
19 and classification of fingerprints obtained by the Board with
20 respect to the applicant's application. These fees shall be
21 paid into the State Police Services Fund.

22 (d) The Board may in its discretion refuse an occupational
23 license to any person: (1) who is unqualified to perform the
24 duties required of such applicant; (2) who fails to disclose or
25 states falsely any information called for in the application;
26 (3) who has been found guilty of a violation of this Act or the

1 Chicago Casino Development Authority Act or whose prior
2 gambling related license or application therefor has been
3 suspended, restricted, revoked or denied for just cause in any
4 other state; or (4) for any other just cause.

5 (e) The Board may suspend, revoke or restrict any
6 occupational licensee: (1) for violation of any provision of
7 this Act; (2) for violation of any of the rules and regulations
8 of the Board; (3) for any cause which, if known to the Board,
9 would have disqualified the applicant from receiving such
10 license; or (4) for default in the payment of any obligation or
11 debt due to the State of Illinois; or (5) for any other just
12 cause.

13 (f) A person who knowingly makes a false statement on an
14 application is guilty of a Class A misdemeanor.

15 (g) Any license issued pursuant to this Section shall be
16 valid for a period of one year from the date of issuance.

17 (h) Nothing in this Act shall be interpreted to prohibit a
18 licensed owner or electronic gaming licensee from entering into
19 an agreement with a public community college or a school
20 approved under the Private Business and Vocational Schools Act
21 of 2012 for the training of any occupational licensee. Any
22 training offered by such a school shall be in accordance with a
23 written agreement between the licensed owner or electronic
24 gaming licensee and the school.

25 (i) Any training provided for occupational licensees may be
26 conducted either at the site of the gambling facility ~~on the~~

1 ~~riverboat~~ or at a school with which a licensed owner or
2 electronic gaming licensee has entered into an agreement
3 pursuant to subsection (h).

4 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
5 97-1150, eff. 1-25-13.)

6 (230 ILCS 10/11) (from Ch. 120, par. 2411)

7 Sec. 11. Conduct of gambling. Gambling may be conducted by
8 licensed owners or licensed managers on behalf of the State
9 aboard riverboats. Gambling may be conducted by electronic
10 gaming licensees at electronic gaming facilities. Gambling may
11 be conducted by a casino operator licensee at a casino.
12 Gambling authorized under this Section is, subject to the
13 following standards:

14 (1) A licensee may conduct riverboat gambling
15 authorized under this Act regardless of whether it conducts
16 excursion cruises. A licensee may permit the continuous
17 ingress and egress of patrons ~~passengers~~ on a riverboat not
18 used for excursion cruises for the purpose of gambling.
19 Excursion cruises shall not exceed 4 hours for a round
20 trip. However, the Board may grant express approval for an
21 extended cruise on a case-by-case basis.

22 (2) (Blank).

23 (3) Minimum and maximum wagers on games shall be set by
24 the licensee.

25 (4) Agents of the Board and the Department of State

1 Police may board and inspect any riverboat, enter and
2 inspect any portion of a casino, or enter and inspect any
3 portion of an electronic gaming facility at any time for
4 the purpose of determining whether this Act or the Chicago
5 Casino Development Authority Act is being complied with.
6 Every riverboat, if under way and being hailed by a law
7 enforcement officer or agent of the Board, must stop
8 immediately and lay to.

9 (5) Employees of the Board shall have the right to be
10 present on the riverboat or in the casino or on adjacent
11 facilities under the control of the licensee and at the
12 electronic gaming facility under the control of the
13 electronic gaming licensee.

14 (6) Gambling equipment and supplies customarily used
15 in conducting riverboat or casino gambling or electronic
16 gaming must be purchased or leased only from suppliers
17 licensed for such purpose under this Act. The Board may
18 approve the transfer, sale, or lease of gambling equipment
19 and supplies by a licensed owner from or to an affiliate of
20 the licensed owner as long as the gambling equipment and
21 supplies were initially acquired from a supplier licensed
22 in Illinois.

23 (7) Persons licensed under this Act or the Chicago
24 Casino Development Authority Act shall permit no form of
25 wagering on gambling games except as permitted by this Act.

26 (8) Wagers may be received only from a person present

1 on a licensed riverboat, in a casino, or at an electronic
2 gaming facility. No person present on a licensed riverboat,
3 in a casino, or at an electronic gaming facility shall
4 place or attempt to place a wager on behalf of another
5 person who is not present on the riverboat, in a casino, or
6 at the electronic gaming facility.

7 (9) Wagering, including electronic gaming, shall not
8 be conducted with money or other negotiable currency.

9 (10) A person under age 21 shall not be permitted on an
10 area of a riverboat or casino where gambling is being
11 conducted or at an electronic gaming facility where
12 gambling is being conducted, except for a person at least
13 18 years of age who is an employee of the riverboat or
14 casino gambling operation or electronic gaming operation.
15 No employee under age 21 shall perform any function
16 involved in gambling by the patrons. No person under age 21
17 shall be permitted to make a wager under this Act or the
18 Chicago Casino Development Authority Act, and any winnings
19 that are a result of a wager by a person under age 21,
20 whether or not paid by a licensee, shall be treated as
21 winnings for the privilege tax purposes, confiscated, and
22 forfeited to the State and deposited into the Education
23 Assistance Fund.

24 (11) Gambling excursion cruises are permitted only
25 when the waterway for which the riverboat is licensed is
26 navigable, as determined by the Board in consultation with

1 the U.S. Army Corps of Engineers. This paragraph (11) does
2 not limit the ability of a licensee to conduct gambling
3 authorized under this Act when gambling excursion cruises
4 are not permitted.

5 (12) All tokens, chips or electronic cards used to make
6 wagers must be purchased (i) from a licensed owner or
7 manager, in the case of a riverboat, either aboard a
8 riverboat or at an onshore facility which has been approved
9 by the Board and which is located where the riverboat
10 docks, (ii) in the case of a casino, from a licensed owner
11 or licensed casino operator at the casino, or (iii) from an
12 electronic gaming licensee at the electronic gaming
13 facility. The tokens, chips or electronic cards may be
14 purchased by means of an agreement under which the owner,
15 ~~or~~ manager, or licensed casino operator extends credit to
16 the patron. Such tokens, chips or electronic cards may be
17 used while aboard the riverboat, in the casino, or at the
18 electronic gaming facility only for the purpose of making
19 wagers on gambling games.

20 (13) Notwithstanding any other Section of this Act or
21 the Chicago Casino Development Authority Act, in addition
22 to the other licenses authorized under this Act or the
23 Chicago Casino Development Authority Act, the Board may
24 issue special event licenses allowing persons who are not
25 otherwise licensed to conduct riverboat gambling to
26 conduct such gambling on a specified date or series of

1 dates. Riverboat gambling under such a license may take
2 place on a riverboat not normally used for riverboat
3 gambling. The Board shall establish standards, fees and
4 fines for, and limitations upon, such licenses, which may
5 differ from the standards, fees, fines and limitations
6 otherwise applicable under this Act or the Chicago Casino
7 Development Authority Act. All such fees shall be deposited
8 into the State Gaming Fund. All such fines shall be
9 deposited into the Education Assistance Fund, created by
10 Public Act 86-0018, of the State of Illinois.

11 (14) In addition to the above, gambling must be
12 conducted in accordance with all rules adopted by the
13 Board.

14 (Source: P.A. 96-1392, eff. 1-1-11.)

15 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

16 Sec. 11.1. Collection of amounts owing under credit
17 agreements. Notwithstanding any applicable statutory provision
18 to the contrary, a licensed owner, licensed ~~or~~ manager,
19 licensed casino operator, or electronic gaming licensee who
20 extends credit to a ~~riverboat~~ gambling patron or an electronic
21 gaming patron pursuant to Section 11 (a) (12) of this Act is
22 expressly authorized to institute a cause of action to collect
23 any amounts due and owing under the extension of credit, as
24 well as the licensed owner's, licensed ~~or~~ manager's, licensed
25 casino operator's, or electronic gaming licensee's costs,

1 expenses and reasonable attorney's fees incurred in
2 collection.

3 (Source: P.A. 93-28, eff. 6-20-03.)

4 (230 ILCS 10/12) (from Ch. 120, par. 2412)

5 Sec. 12. Admission tax; fees.

6 (a) A tax is hereby imposed upon admissions to riverboat
7 and casino gambling facilities ~~riverboats~~ operated by licensed
8 owners authorized pursuant to this Act and the Chicago Casino
9 Development Authority Act. Until July 1, 2002, the rate is \$2
10 per person admitted. From July 1, 2002 until July 1, 2003, the
11 rate is \$3 per person admitted. From July 1, 2003 until August
12 23, 2005 (the effective date of Public Act 94-673), for a
13 licensee that admitted 1,000,000 persons or fewer in the
14 previous calendar year, the rate is \$3 per person admitted; for
15 a licensee that admitted more than 1,000,000 but no more than
16 2,300,000 persons in the previous calendar year, the rate is \$4
17 per person admitted; and for a licensee that admitted more than
18 2,300,000 persons in the previous calendar year, the rate is \$5
19 per person admitted. Beginning on August 23, 2005 (the
20 effective date of Public Act 94-673), for a licensee that
21 admitted 1,000,000 persons or fewer in calendar year 2004, the
22 rate is \$2 per person admitted, and for all other licensees,
23 including licensees that were not conducting gambling
24 operations in 2004, the rate is \$3 per person admitted. This
25 admission tax is imposed upon the licensed owner conducting

1 gambling.

2 (1) The admission tax shall be paid for each admission,
3 except that a person who exits a riverboat gambling
4 facility and reenters that riverboat gambling facility
5 within the same gaming day shall be subject only to the
6 initial admission tax.

7 (2) (Blank).

8 (3) The riverboat licensee may issue tax-free passes to
9 actual and necessary officials and employees of the
10 licensee or other persons actually working on the
11 riverboat.

12 (4) The number and issuance of tax-free passes is
13 subject to the rules of the Board, and a list of all
14 persons to whom the tax-free passes are issued shall be
15 filed with the Board.

16 (a-5) A fee is hereby imposed upon admissions operated by
17 licensed managers on behalf of the State pursuant to Section
18 7.3 at the rates provided in this subsection (a-5). For a
19 licensee that admitted 1,000,000 persons or fewer in the
20 previous calendar year, the rate is \$3 per person admitted; for
21 a licensee that admitted more than 1,000,000 but no more than
22 2,300,000 persons in the previous calendar year, the rate is \$4
23 per person admitted; and for a licensee that admitted more than
24 2,300,000 persons in the previous calendar year, the rate is \$5
25 per person admitted.

26 (1) The admission fee shall be paid for each admission.

1 (2) (Blank).

2 (3) The licensed manager may issue fee-free passes to
3 actual and necessary officials and employees of the manager
4 or other persons actually working on the riverboat.

5 (4) The number and issuance of fee-free passes is
6 subject to the rules of the Board, and a list of all
7 persons to whom the fee-free passes are issued shall be
8 filed with the Board.

9 (b) From the tax imposed under subsection (a) and the fee
10 imposed under subsection (a-5), a municipality shall receive
11 from the State \$1 for each person embarking on a riverboat
12 docked within the municipality or entering a casino located
13 within the municipality, and a county shall receive \$1 for each
14 person entering a casino or embarking on a riverboat docked
15 within the county but outside the boundaries of any
16 municipality. The municipality's or county's share shall be
17 collected by the Board on behalf of the State and remitted
18 quarterly by the State, subject to appropriation, to the
19 treasurer of the unit of local government for deposit in the
20 general fund.

21 (c) The licensed owner shall pay the entire admission tax
22 to the Board and the licensed manager or the casino operator
23 licensee shall pay the entire admission fee to the Board. Such
24 payments shall be made daily. Accompanying each payment shall
25 be a return on forms provided by the Board which shall include
26 other information regarding admissions as the Board may

1 require. Failure to submit either the payment or the return
2 within the specified time may result in suspension or
3 revocation of the owners or managers license.

4 (c-5) A tax is imposed on admissions to electronic gaming
5 facilities at the rate of \$3 per person admitted by an
6 electronic gaming licensee. The tax is imposed upon the
7 electronic gaming licensee.

8 (1) The admission tax shall be paid for each admission,
9 except that a person who exits an electronic gaming
10 facility and reenters that electronic gaming facility
11 within the same gaming day, as the term "gaming day" is
12 defined by the Board by rule, shall be subject only to the
13 initial admission tax. The Board shall establish, by rule,
14 a procedure to determine whether a person admitted to an
15 electronic gaming facility has paid the admission tax.

16 (2) An electronic gaming licensee may issue tax-free
17 passes to actual and necessary officials and employees of
18 the licensee and other persons associated with electronic
19 gaming operations.

20 (3) The number and issuance of tax-free passes is
21 subject to the rules of the Board, and a list of all
22 persons to whom the tax-free passes are issued shall be
23 filed with the Board.

24 (4) The electronic gaming licensee shall pay the entire
25 admission tax to the Board.

26 Such payments shall be made daily. Accompanying each

1 payment shall be a return on forms provided by the Board, which
2 shall include other information regarding admission as the
3 Board may require. Failure to submit either the payment or the
4 return within the specified time may result in suspension or
5 revocation of the electronic gaming license.

6 From the tax imposed under this subsection (c-5), a
7 municipality other than the Village of Stickney or the City of
8 Collinsville in which an electronic gaming facility is located,
9 or if the electronic gaming facility is not located within a
10 municipality, then the county in which the electronic gaming
11 facility is located, except as otherwise provided in this
12 Section, shall receive, subject to appropriation, \$1 for each
13 person who enters the electronic gaming facility. For each
14 admission to the electronic gaming facility in excess of
15 1,500,000 in a year, from the tax imposed under this subsection
16 (c-5), the county in which the electronic gaming facility is
17 located shall receive, subject to appropriation, \$0.30, which
18 shall be in addition to any other moneys paid to the county
19 under this Section.

20 From the tax imposed under this subsection (c-5) on an
21 electronic gaming facility located in the Village of Stickney,
22 \$1 for each person who enters the electronic gaming facility
23 shall be distributed as follows, subject to appropriation:
24 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
25 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
26 Health District, and \$0.05 to the Village of Bridgeview.

1 From the tax imposed under this subsection (c-5) on an
2 electronic gaming facility located in the City of Collinsville,
3 \$1 for each person who enters the electronic gaming facility
4 shall be distributed as follows, subject to appropriation:
5 \$0.45 to the City of Alton, \$0.45 to the City of East St.
6 Louis, and \$0.10 to the City of Collinsville.

7 From the tax imposed under this subsection (c-5) on an
8 electronic gaming facility that is located in an unincorporated
9 area of Cook County and has been awarded standardbred racing
10 dates during 2011 by the Illinois Racing Board, \$1 for each
11 person who enters the electronic gaming facility shall be
12 divided equally and distributed, subject to appropriation, to
13 the Village of Melrose Park, the Village of Maywood, and Cook
14 County.

15 After payments required under this subsection (c-5) have
16 been made, all remaining amounts shall be deposited into the
17 Education Assistance Fund.

18 (d) The Board shall administer and collect the admission
19 tax imposed by this Section, to the extent practicable, in a
20 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
21 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
22 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act.

24 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

1 Sec. 13. Wagering tax; rate; distribution.

2 (a) Until January 1, 1998, a tax is imposed on the adjusted
3 gross receipts received from gambling games authorized under
4 this Act at the rate of 20%.

5 (a-1) From January 1, 1998 until July 1, 2002, a privilege
6 tax is imposed on persons engaged in the business of conducting
7 riverboat gambling operations, based on the adjusted gross
8 receipts received by a licensed owner from gambling games
9 authorized under this Act at the following rates:

10 15% of annual adjusted gross receipts up to and
11 including \$25,000,000;

12 20% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$50,000,000;

14 25% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 30% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 35% of annual adjusted gross receipts in excess of
19 \$100,000,000.

20 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
21 is imposed on persons engaged in the business of conducting
22 riverboat gambling operations, other than licensed managers
23 conducting riverboat gambling operations on behalf of the
24 State, based on the adjusted gross receipts received by a
25 licensed owner from gambling games authorized under this Act at
26 the following rates:

1 15% of annual adjusted gross receipts up to and
2 including \$25,000,000;

3 22.5% of annual adjusted gross receipts in excess of
4 \$25,000,000 but not exceeding \$50,000,000;

5 27.5% of annual adjusted gross receipts in excess of
6 \$50,000,000 but not exceeding \$75,000,000;

7 32.5% of annual adjusted gross receipts in excess of
8 \$75,000,000 but not exceeding \$100,000,000;

9 37.5% of annual adjusted gross receipts in excess of
10 \$100,000,000 but not exceeding \$150,000,000;

11 45% of annual adjusted gross receipts in excess of
12 \$150,000,000 but not exceeding \$200,000,000;

13 50% of annual adjusted gross receipts in excess of
14 \$200,000,000.

15 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
16 persons engaged in the business of conducting riverboat
17 gambling operations, other than licensed managers conducting
18 riverboat gambling operations on behalf of the State, based on
19 the adjusted gross receipts received by a licensed owner from
20 gambling games authorized under this Act at the following
21 rates:

22 15% of annual adjusted gross receipts up to and
23 including \$25,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$37,500,000;

26 32.5% of annual adjusted gross receipts in excess of

1 \$37,500,000 but not exceeding \$50,000,000;

2 37.5% of annual adjusted gross receipts in excess of
3 \$50,000,000 but not exceeding \$75,000,000;

4 45% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;

6 50% of annual adjusted gross receipts in excess of
7 \$100,000,000 but not exceeding \$250,000,000;

8 70% of annual adjusted gross receipts in excess of
9 \$250,000,000.

10 An amount equal to the amount of wagering taxes collected
11 under this subsection (a-3) that are in addition to the amount
12 of wagering taxes that would have been collected if the
13 wagering tax rates under subsection (a-2) were in effect shall
14 be paid into the Common School Fund.

15 The privilege tax imposed under this subsection (a-3) shall
16 no longer be imposed beginning on the earlier of (i) July 1,
17 2005; (ii) the first date after June 20, 2003 that riverboat
18 gambling operations are conducted pursuant to a dormant
19 license; or (iii) the first day that riverboat gambling
20 operations are conducted under the authority of an owners
21 license that is in addition to the 10 owners licenses initially
22 authorized under this Act. For the purposes of this subsection
23 (a-3), the term "dormant license" means an owners license that
24 is authorized by this Act under which no riverboat gambling
25 operations are being conducted on June 20, 2003.

26 (a-4) Beginning on the first day on which the tax imposed

1 under subsection (a-3) is no longer imposed and ending upon the
2 imposition of the privilege tax under subsection (a-5) of this
3 Section, a privilege tax is imposed on persons engaged in the
4 business of conducting riverboat or casino gambling or
5 electronic gaming operations, other than licensed managers
6 conducting riverboat gambling operations on behalf of the
7 State, based on the adjusted gross receipts received by a
8 licensed owner from gambling games authorized under this Act at
9 the following rates:

10 15% of annual adjusted gross receipts up to and
11 including \$25,000,000;

12 22.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual adjusted gross receipts in excess of
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual adjusted gross receipts in excess of
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual adjusted gross receipts in excess of
23 \$200,000,000.

24 For the imposition of the privilege tax in this subsection
25 (a-4), amounts paid pursuant to item (1) of subsection (b) of
26 Section 56 of the Illinois Horse Racing Act of 1975 shall not

1 be included in the determination of adjusted gross receipts.

2 (a-5) Beginning in the fiscal year following the opening of
3 the casino at which gambling operations are conducted pursuant
4 to the Chicago Casino Development Authority Act, but not before
5 July 1, 2015, a privilege tax is imposed on persons engaged in
6 the business of conducting riverboat or casino gambling or
7 electronic gaming operations, other than licensed managers
8 conducting riverboat gambling operations on behalf of the
9 State, based on the adjusted gross receipts received by such
10 licensee from the gambling games authorized under this Act and
11 the Chicago Casino Development Authority Act at the following
12 rates:

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 20% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 25% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 30% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 35% of annual adjusted gross receipts in excess of
22 \$100,000,000 but not exceeding \$150,000,000;

23 37.5% of annual adjusted gross receipts in excess of
24 \$150,000,000 but not exceeding \$200,000,000;

25 42.5% of annual adjusted gross receipts in excess of
26 \$200,000,000 but not exceeding \$300,000,000;

1 30% of annual adjusted gross receipts in excess of
2 \$300,000,000 but not exceeding \$350,000,000;

3 25% of annual adjusted gross receipts in excess of
4 \$350,000,000, but not exceeding \$700,000,000;

5 50% of annual adjusted gross receipts in excess of
6 \$700,000,000.

7 For the imposition of the privilege tax in this subsection
8 (a-5), amounts paid pursuant to item (1) of subsection (b) of
9 Section 56 of the Illinois Horse Racing Act of 1975 shall not
10 be included in the determination of adjusted gross receipts.

11 (a-6) From the effective date of this amendatory Act of the
12 98th General Assembly until June 30, 2017, an owners licensee
13 that conducted gambling operations prior to January 1, 2011
14 shall receive a dollar-for-dollar credit against the tax
15 imposed under this Section for any renovation or construction
16 costs paid by the owners licensee, but in no event shall the
17 credit exceed \$2,000,000.

18 Additionally, from the effective date of this amendatory
19 Act of the 98th General Assembly until December 31, 2016, an
20 owners licensee that (i) is located within 15 miles of the
21 Missouri border, and (ii) has at least 3 riverboats, casinos,
22 or their equivalent within a 45-mile radius, may be authorized
23 to relocate to a new location with the approval of both the
24 unit of local government designated as the home dock and the
25 Board, so long as the new location is within the same unit of
26 local government and no more than 3 miles away from its

1 original location. Such owners licensee shall receive a credit
2 against the tax imposed under this Section equal to 8% of the
3 total project costs, as approved by the Board, for any
4 renovation or construction costs paid by the owners licensee
5 for the construction of the new facility, provided that the new
6 facility is operational by July 1, 2016. In determining whether
7 or not to approve a relocation, the Board must consider the
8 extent to which the relocation will diminish the gaming
9 revenues received by other Illinois gaming facilities.

10 (a-8) Riverboat gambling operations conducted by a
11 licensed manager on behalf of the State are not subject to the
12 tax imposed under this Section.

13 (a-9) Beginning on January 1, 2014, the calculation of
14 gross receipts or adjusted gross receipts, for the purposes of
15 this Section, for a riverboat, casino, or electronic gaming
16 facility shall not include the dollar amount of non-cashable
17 vouchers, coupons, and electronic promotions redeemed by
18 wagerers upon the riverboat, in the casino, or in the
19 electronic gaming facility up to and including an amount not to
20 exceed 30% of a riverboat casino or electronic gaming
21 facility's adjusted gross receipts.

22 The Illinois Gaming Board shall submit to the General
23 Assembly a comprehensive report no later than March 31, 2017
24 detailing, at a minimum, the effect of removing non-cashable
25 vouchers, coupons, and electronic promotions from this
26 calculation on net gaming revenues to the State in calendar

1 years 2014 through 2016, the increase or reduction in wagers
2 as a result of removing non-cashable vouchers, coupons, and
3 electronic promotions from this calculation, the effect of the
4 tax rates in subsection (a-5) on net gaming revenues to the
5 State, and proposed modifications to the calculation.

6 (a-10) The taxes imposed by this Section shall be paid by
7 the licensed owner or the electronic gaming licensee to the
8 Board not later than 5:00 o'clock p.m. of the day after the day
9 when the wagers were made.

10 (a-15) If the privilege tax imposed under subsection (a-3)
11 is no longer imposed pursuant to item (i) of the last paragraph
12 of subsection (a-3), then by June 15 of each year, each owners
13 licensee, other than an owners licensee that admitted 1,000,000
14 persons or fewer in calendar year 2004, must, in addition to
15 the payment of all amounts otherwise due under this Section,
16 pay to the Board a reconciliation payment in the amount, if
17 any, by which the licensed owner's base amount exceeds the
18 amount of net privilege tax paid by the licensed owner to the
19 Board in the then current State fiscal year. A licensed owner's
20 net privilege tax obligation due for the balance of the State
21 fiscal year shall be reduced up to the total of the amount paid
22 by the licensed owner in its June 15 reconciliation payment.
23 The obligation imposed by this subsection (a-15) is binding on
24 any person, firm, corporation, or other entity that acquires an
25 ownership interest in any such owners license. The obligation
26 imposed under this subsection (a-15) terminates on the earliest

1 of: (i) July 1, 2007, (ii) the first day after the effective
2 date of this amendatory Act of the 94th General Assembly that
3 riverboat gambling operations are conducted pursuant to a
4 dormant license, (iii) the first day that riverboat gambling
5 operations are conducted under the authority of an owners
6 license that is in addition to the 10 owners licenses initially
7 authorized under this Act, or (iv) the first day that a
8 licensee under the Illinois Horse Racing Act of 1975 conducts
9 gaming operations with slot machines or other electronic gaming
10 devices. The Board must reduce the obligation imposed under
11 this subsection (a-15) by an amount the Board deems reasonable
12 for any of the following reasons: (A) an act or acts of God,
13 (B) an act of bioterrorism or terrorism or a bioterrorism or
14 terrorism threat that was investigated by a law enforcement
15 agency, or (C) a condition beyond the control of the owners
16 licensee that does not result from any act or omission by the
17 owners licensee or any of its agents and that poses a hazardous
18 threat to the health and safety of patrons. If an owners
19 licensee pays an amount in excess of its liability under this
20 Section, the Board shall apply the overpayment to future
21 payments required under this Section.

22 For purposes of this subsection (a-15):

23 "Act of God" means an incident caused by the operation of
24 an extraordinary force that cannot be foreseen, that cannot be
25 avoided by the exercise of due care, and for which no person
26 can be held liable.

1 "Base amount" means the following:

2 For a riverboat in Alton, \$31,000,000.

3 For a riverboat in East Peoria, \$43,000,000.

4 For the Empress riverboat in Joliet, \$86,000,000.

5 For a riverboat in Metropolis, \$45,000,000.

6 For the Harrah's riverboat in Joliet, \$114,000,000.

7 For a riverboat in Aurora, \$86,000,000.

8 For a riverboat in East St. Louis, \$48,500,000.

9 For a riverboat in Elgin, \$198,000,000.

10 "Dormant license" has the meaning ascribed to it in
11 subsection (a-3).

12 "Net privilege tax" means all privilege taxes paid by a
13 licensed owner to the Board under this Section, less all
14 payments made from the State Gaming Fund pursuant to subsection
15 (b) of this Section.

16 The changes made to this subsection (a-15) by Public Act
17 94-839 are intended to restate and clarify the intent of Public
18 Act 94-673 with respect to the amount of the payments required
19 to be made under this subsection by an owners licensee to the
20 Board.

21 (b) Until January 1, 1998, 25% of the tax revenue deposited
22 in the State Gaming Fund under this Section shall be paid,
23 subject to appropriation by the General Assembly, to the unit
24 of local government which is designated as the home dock of the
25 riverboat. Beginning January 1, 1998, from the tax revenue from
26 riverboat or casino gambling deposited in the State Gaming Fund

1 under this Section, an amount equal to 5% of adjusted gross
2 receipts generated by a riverboat or a casino shall be paid
3 monthly, subject to appropriation by the General Assembly, to
4 the unit of local government in which the casino is located or
5 that is designated as the home dock of the riverboat. From the
6 tax revenue deposited in the State Gaming Fund pursuant to
7 riverboat or casino gambling operations conducted by a licensed
8 manager on behalf of the State, an amount equal to 5% of
9 adjusted gross receipts generated pursuant to those riverboat
10 or casino gambling operations shall be paid monthly, subject to
11 appropriation by the General Assembly, to the unit of local
12 government that is designated as the home dock of the riverboat
13 upon which those riverboat gambling operations are conducted or
14 in which the casino is located.

15 (b-4) Beginning on August 1, 2013 and ending on July 31,
16 2042, from the tax revenue deposited in the State Gaming Fund
17 under this Section, \$7,500,000 shall be paid annually, subject
18 to appropriation, to the host municipality of an owners
19 licensee of a license issued or re-issued pursuant to Section
20 7.1 of this Act before January 1, 2012. Payments received by
21 the host municipality pursuant to this subsection (b-4) may not
22 be shared with any other unit of local government.

23 (b-5) Beginning on the effective date of this amendatory
24 Act of the 98th General Assembly, from the tax revenue
25 deposited in the State Gaming Fund under this Section, an
26 amount equal to 3% of adjusted gross receipts generated by each

1 electronic gaming facility located outside Madison County
2 shall be paid monthly, subject to appropriation by the General
3 Assembly, to a municipality other than the Village of Stickney
4 in which each electronic gaming facility is located or, if the
5 electronic gaming facility is not located within a
6 municipality, to the county in which the electronic gaming
7 facility is located, except as otherwise provided in this
8 Section. From the tax revenue deposited in the State Gaming
9 Fund under this Section, an amount equal to 3% of adjusted
10 gross receipts generated by each electronic gaming facility
11 that is located in an unincorporated area of Cook County and
12 has been awarded standardbred racing dates during 2011 by the
13 Illinois Racing Board shall be divided equally and distributed,
14 subject to appropriation, to the Village of Melrose Park, the
15 Village of Maywood, and Cook County. From the tax revenue
16 deposited in the State Gaming Fund under this Section, an
17 amount equal to 3% of adjusted gross receipts generated by an
18 electronic gaming facility located in the Village of Stickney
19 shall be paid monthly, subject to appropriation by the General
20 Assembly, as follows: 25% to the Village of Stickney, 5% to the
21 City of Berwyn, 50% to the Town of Cicero, and 20% to the
22 Stickney Public Health District.

23 From the tax revenue deposited in the State Gaming Fund
24 under this Section, an amount equal to 5% of adjusted gross
25 receipts generated by an electronic gaming facility located in
26 the City of Collinsville shall be paid monthly, subject to

1 appropriation by the General Assembly, as follows: 45% to the
2 City of Alton, 45% to the City of East St. Louis, and 10% to the
3 City of Collinsville.

4 Municipalities and counties may refund any portion of the
5 payment that they receive pursuant to this subsection (b-5) to
6 the electronic gaming facility.

7 (b-6) Beginning on the effective date of this amendatory
8 Act of the 98th General Assembly, from the tax revenue
9 deposited in the State Gaming Fund under this Section, an
10 amount equal to 2% of adjusted gross receipts generated by an
11 electronic gaming facility located outside Madison County
12 shall be paid monthly, subject to appropriation by the General
13 Assembly, to the county in which the electronic gaming facility
14 is located for the purposes of its criminal justice system or
15 health care system.

16 Counties may refund any portion of the payment that they
17 receive pursuant to this subsection (b-6) to the electronic
18 gaming facility.

19 (b-7) Beginning on the effective date of this amendatory
20 Act of the 98th General Assembly, from the tax revenue
21 deposited in the State Gaming Fund under this Section,
22 \$5,000,000 shall be paid annually, subject to appropriation, to
23 the Department of Human Services for the administration of
24 programs to treat problem gambling.

25 (b-8) Beginning in the fiscal year following the opening of
26 the casino at which gambling operations are conducted pursuant

1 to the Chicago Casino Development Authority Act, but not before
2 July 1, 2015, from the tax revenue deposited in the State
3 Gaming Fund under this Section, \$10,000,000 shall be
4 transferred into the State Fairgrounds Capital Improvements
5 Fund annually.

6 (b-9) Beginning in the fiscal year following the opening of
7 the casino at which gambling operations are conducted pursuant
8 to the Chicago Casino Development Authority Act, but not before
9 July 1, 2015, from the tax revenue deposited in the State
10 Gaming Fund under this Section, an amount equal to 3% of the
11 wagering taxes paid by the riverboats and casino created
12 pursuant to subsection (e-5) of Section 7 shall be transferred
13 into the Depressed Communities Economic Development Fund
14 annually.

15 (b-10) Beginning in the fiscal year following the opening
16 of the casino at which gambling operations are conducted
17 pursuant to the Chicago Casino Development Authority Act, but
18 not before July 1, 2015, from the tax revenue deposited in the
19 State Gaming Fund under this Section, an amount equal to 3% of
20 the wagering taxes paid by the riverboats and casino created
21 pursuant to subsection (e-5) of Section 7 shall be transferred
22 into the Latino Community Economic Development Fund annually.

23 (b-11) The State and County Fair Assistance Fund is created
24 as a special fund in the State treasury. The Fund shall be
25 administered by the Department of Agriculture. Beginning in the
26 fiscal year following the opening of the casino at which

1 gambling operations are conducted pursuant to the Chicago
2 Casino Development Authority Act, but not before July 1, 2015,
3 from the tax revenue deposited in the State Gaming Fund under
4 this Section, \$4,500,000 shall be transferred into the State
5 and County Fair Assistance Fund annually. No moneys shall be
6 expended from the State and County Fair Assistance Fund except
7 as appropriated by the General Assembly. Deposits made pursuant
8 to this subsection (b-11) shall supplement, and not supplant,
9 other State funding for these purposes.

10 The Department of Agriculture shall award grants from the
11 moneys appropriated from the State and County Fair Assistance
12 Fund for the development, expansion, or support of county fairs
13 that showcase Illinois agriculture products or byproducts. No
14 grant may exceed \$100,000, except for an annual grant of
15 \$750,000 that shall be made to the Illinois Standardbred
16 Breeders Fund and used for Illinois-bred harness racing purses
17 and the Illinois State Fair race track. Not more than one grant
18 under this Section may be made to any one county fair board.
19 Additionally, grants under this subsection (b-11) shall be
20 available to the Illinois State Fair and the DuQuoin State
21 Fair.

22 (b-12) Beginning in the fiscal year following the opening
23 of the casino at which gambling operations are conducted
24 pursuant to the Chicago Casino Development Authority Act, but
25 not before July 1, 2015, from the tax revenue from electronic
26 gaming deposited in the State Gaming Fund under this Section,

1 (i) \$9,000,000 shall be transferred annually into the Partners
2 for Conservation Fund for grants to soil and water conservation
3 districts, (ii) \$4,000,000 shall be transferred annually into
4 the State Cooperative Extension Service Trust Fund for grants
5 to the State's cooperative extensions, (iii) \$2,500,000 shall
6 be transferred annually into the Illinois Historic Sites Fund
7 for costs associated with the State's historic sites, and (iv)
8 \$6,000,000 shall be transferred annually into the Future of
9 Agriculture Fund. Transfers made pursuant to this subsection
10 (b-12) shall supplement, and not supplant, other State funding
11 for these purposes.

12 (b-13) Beginning in the fiscal year following the opening
13 of the casino at which gambling operations are conducted
14 pursuant to the Chicago Casino Development Authority Act, but
15 not before July 1, 2015, from the tax revenue deposited in the
16 State Gaming Fund under this Section, \$75,000 shall be paid
17 annually, subject to appropriation, to a county forest preserve
18 district for the maintenance of a botanic garden that was
19 created by Section 43 of the Cook County Forest Preserve
20 District Act.

21 (b-14) Beginning in the fiscal year following the opening
22 of the casino at which gambling operations are conducted
23 pursuant to the Chicago Casino Development Authority Act, but
24 not before July 1, 2015, from the tax revenue deposited in the
25 State Gaming Fund under this Section, \$175,000 shall be
26 transferred annually into the Illinois Racing Quarter Horse

1 Breeders Fund.

2 (b-15) From January 1, 2015 until December 31, 2017, if the
3 total amount paid to the Education Assistance Fund annually
4 pursuant to this Act will result in the Education Assistance
5 Fund receiving less revenue from the State Gaming Fund than it
6 received in calendar year 2011, an amount equal to that
7 shortfall shall be transferred from the Capital Projects Fund
8 to the Education Assistance Fund, except that no such transfer
9 shall exceed the amount deposited into the Capital Projects
10 Fund pursuant to subsection (c-4) of this Section.

11 (b-16) Beginning in the fiscal year following the opening
12 of the casino at which gambling operations are conducted
13 pursuant to the Chicago Casino Development Authority Act, but
14 not before July 1, 2015, from the tax revenue deposited in the
15 State Gaming Fund under this Section, an amount equal to 3% of
16 the wagering taxes paid by the riverboats and casino created
17 pursuant to subsection (e-5) of Section 7 of this Act shall be
18 transferred into the African American Community Economic
19 Development Fund annually.

20 (c) Appropriations, as approved by the General Assembly,
21 may be made from the State Gaming Fund to the Board (i) for the
22 administration and enforcement of this Act, the Chicago Casino
23 Development Authority Act, and the Video Gaming Act, (ii) for
24 distribution to the Department of State Police and to the
25 Department of Revenue for the enforcement of this Act, the
26 Chicago Casino Development Authority Act, and the Video Gaming

1 Act, and (iii) to the Department of Human Services for the
2 administration of programs to treat problem gambling. The
3 Board's annual appropriations request must separately state
4 its funding needs for the regulation of electronic gaming,
5 riverboat gaming, casino gaming within the City of Chicago, and
6 video gaming. From the tax revenue deposited in the Gaming
7 Facilities Fee Revenue Fund, the first \$50,000,000 shall be
8 paid to the Board, subject to appropriation, for the
9 administration and enforcement of the provisions of this
10 amendatory Act of the 98th General Assembly.

11 (c-3) Appropriations, as approved by the General Assembly,
12 may be made from the tax revenue deposited into the State
13 Gaming Fund from electronic gaming pursuant to this Section for
14 the administration and enforcement of this Act.

15 (c-4) After payments required under subsection (b-5), (c),
16 and (c-3) have been made from the tax revenue from electronic
17 gaming deposited into the State Gaming Fund under this Section,
18 all remaining amounts from electronic gaming shall be deposited
19 into the Education Assistance Fund.

20 (c-5) Before May 26, 2006 (the effective date of Public Act
21 94-804) and beginning on the effective date of this amendatory
22 Act of the 95th General Assembly, unless any organization
23 licensee under the Illinois Horse Racing Act of 1975 begins to
24 operate a slot machine or video game of chance under the
25 Illinois Horse Racing Act of 1975 or this Act, after the
26 payments required under subsections (b) and (c) have been made,

1 an amount equal to 15% of the adjusted gross receipts of (1) an
2 owners licensee that relocates pursuant to Section 11.2, (2) an
3 owners licensee conducting riverboat gambling operations
4 pursuant to an owners license that is initially issued after
5 June 25, 1999, or (3) the first riverboat gambling operations
6 conducted by a licensed manager on behalf of the State under
7 Section 7.3, whichever comes first, shall be paid from the
8 State Gaming Fund into the Horse Racing Equity Fund.

9 (c-10) Each year the General Assembly shall appropriate
10 from the General Revenue Fund to the Education Assistance Fund
11 an amount equal to the amount paid into the Horse Racing Equity
12 Fund pursuant to subsection (c-5) in the prior calendar year.

13 (c-15) After the payments required under subsections (b),
14 (c), and (c-5) have been made, an amount equal to 2% of the
15 adjusted gross receipts of (1) an owners licensee that
16 relocates pursuant to Section 11.2, (2) an owners licensee
17 conducting riverboat gambling operations pursuant to an owners
18 license that is initially issued after June 25, 1999, or (3)
19 the first riverboat gambling operations conducted by a licensed
20 manager on behalf of the State under Section 7.3, whichever
21 comes first, shall be paid, subject to appropriation from the
22 General Assembly, from the State Gaming Fund to each home rule
23 county with a population of over 3,000,000 inhabitants for the
24 purpose of enhancing the county's criminal justice system.

25 (c-16) After the payments required under subsections (b),
26 (c), (c-5), and (c-15) have been made, an amount equal to 2% of

1 the adjusted gross receipts of the owners licensee conducting
2 riverboat gambling operations pursuant to the owners license
3 authorized under paragraph (5) of subsection (e-5) of Section 7
4 of this Act shall be paid, subject to appropriation from the
5 General Assembly, from the State Gaming Fund to each home rule
6 county with a population of over 3,000,000 inhabitants for the
7 purpose of enhancing the county's criminal justice system.

8 (c-17) After the payments required under subsections (b),
9 (c), (c-5), (c-15), and (c-16) have been made, an amount equal
10 to 0.5% of the adjusted gross receipts of the owners licensee
11 conducting riverboat gambling operations pursuant to the
12 owners license authorized under paragraph (1) of subsection
13 (e-5) of Section 7 of this Act shall be paid, subject to
14 appropriation from the General Assembly, from the State Gaming
15 Fund to each home rule county with a population of over
16 3,000,000 inhabitants for the purpose of enhancing the county's
17 criminal justice system.

18 (c-20) Each year the General Assembly shall appropriate
19 from the General Revenue Fund to the Education Assistance Fund
20 an amount equal to the amount paid to each home rule county
21 with a population of over 3,000,000 inhabitants pursuant to
22 subsection (c-15) in the prior calendar year.

23 (c-25) After the payments required under subsections (b),
24 (c), (c-5), ~~and~~ (c-15), (c-16), and (c-17) have been made, an
25 amount equal to 2% of the adjusted gross receipts of (1) an
26 owners licensee that relocates pursuant to Section 11.2, (2) an

1 owners licensee conducting riverboat gambling operations
2 pursuant to an owners license that is initially issued after
3 June 25, 1999, or (3) the first riverboat gambling operations
4 conducted by a licensed manager on behalf of the State under
5 Section 7.3, whichever comes first, shall be paid from the
6 State Gaming Fund to Chicago State University.

7 (d) From time to time, the Board shall transfer the
8 remainder of the funds generated by this Act into the Education
9 Assistance Fund, created by Public Act 86-0018, of the State of
10 Illinois.

11 (e) Nothing in this Act shall prohibit the unit of local
12 government designated as the home dock of the riverboat from
13 entering into agreements with other units of local government
14 in this State or in other states to share its portion of the
15 tax revenue.

16 (f) To the extent practicable, the Board shall administer
17 and collect the wagering taxes imposed by this Section in a
18 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;
23 96-37, eff. 7-13-09; 96-1392, eff. 1-1-11.)

24 (230 ILCS 10/13.2 new)

25 Sec. 13.2. Gaming revenues; East St. Louis.

1 (a) For purposes of this Section only:

2 "City" means the City of East St. Louis.

3 "Owners licensee" means an owners licensee that is located
4 within the City of East St. Louis.

5 "Electronic gaming licensee" means an electronic gaming
6 licensee located in the City of Collinsville.

7 (b) The General Assembly finds that the City currently
8 receives approximately 40% of its annual budget from gaming
9 revenues generated by the riverboat located within the City.
10 According to 2011 Census data, the median household income in
11 East St. Louis is \$19,934, with approximately 42% of residents
12 living below the poverty level. The riverboat located within
13 the City is the first employee-owned casino in Illinois,
14 employing approximately 700 employee/owners, 92% of whom are
15 Illinois residents residing primarily within St. Clair County
16 in and around the City. In addition, 71% of the workforce at
17 the East St. Louis riverboat is comprised of minority and
18 female workers.

19 Because the gaming market in the greater metropolitan St.
20 Louis area is already highly saturated with 6 riverboat casinos
21 and one race track within a 45-mile radius, there is a finite
22 number of gaming dollars being spent in the area. The addition
23 of electronic gaming machines at a race track in the City of
24 Collinsville will likely result in a significant portion of the
25 revenue of those electronic gaming machines being derived from
26 cannibalization of gaming activities in the City, resulting in

1 job loss and further erosion of the gaming revenues available
2 for the City. Without gaming revenues, the City would be forced
3 to make cuts to vital services, such as fire and police
4 protection, community and economic development, and
5 maintenance of public infrastructure, for an already
6 impoverished community. Job loss in the community would only
7 further exacerbate these problems. Therefore, recapture of
8 those gaming revenues is necessary to ensure the continued job
9 growth and prosperity of the City.

10 (c) Beginning in the year after an electronic gaming
11 licensee begins conducting electronic gaming and continuing
12 for a period of 10 years thereafter, in the event that the
13 after-tax adjusted gross receipts of an owners licensee in any
14 calendar year is less than the after-tax adjusted gross
15 receipts of an owners licensee for calendar year 2012, then the
16 owners licensee shall be permitted to receive from an
17 electronic gaming licensee a payment in an amount equal to the
18 shortfall between the after-tax adjusted gross receipts of the
19 owners licensee for calendar year 2012 and the after-tax
20 adjusted gross receipts of the owners licensee for any calendar
21 year that is less than those receipts in calendar year 2012.
22 The owners licensee shall not be entitled to any payment under
23 this subsection (c) until the Board certifies in writing to the
24 owners licensee the amount to which the owners licensee is
25 entitled and a schedule for payment of the amount to the owners
26 licensee. In no case shall the Board certify an amount to be

1 paid to an owners licensee that would diminish the amounts
2 required to be paid by that electronic gaming licensee to purse
3 accounts pursuant to paragraph (1) of subsection (b) of Section
4 56 of the Illinois Horse Racing Act of 1975. The Board's
5 certification shall be provided no later than January 31 of the
6 succeeding year to the owners licensee and the electronic
7 gaming licensee. Within 15 calendar days after receipt of the
8 Board's certification, the electronic gaming licensee shall
9 pay an amount equal to the amount certified by the Board to the
10 owners licensee.

11 (d) Beginning in the year after an electronic gaming
12 licensee begins conducting electronic gaming and continuing
13 for a period of 10 years thereafter, in the event that the
14 revenues that the City receives from gaming, including any
15 amounts it receives pursuant to Sections 12 and 13 of the
16 Illinois Gambling Act, in any calendar year are less than the
17 revenues from gaming that the City received in 2012, the City
18 shall be permitted to receive from an electronic gaming
19 licensee a payment in an amount equal to the shortfall between
20 the amount the City received in 2012 and the amount the City
21 received in any calendar year that is less than what the City
22 received in 2012. The City shall not be entitled to any payment
23 under this subsection (d) until the Board certifies in writing
24 to the City and the electronic gaming licensee the amount to
25 which the City is entitled to receive and a schedule for
26 payment of the amount to the City. In no case shall the Board

1 certify an amount to be paid to the City that would diminish
2 the amount required to be paid by that electronic gaming
3 licensee to pursue accounts pursuant to paragraph (1) of
4 subsection (b) of Section 56 of the Illinois Horse Racing Act
5 of 1975. The Board's certification shall be provided no later
6 than January 31 of the succeeding year and provided to the City
7 and the electronic gaming licensee. Within 15 calendar days
8 after receipt of the Board's certification, the electronic
9 gaming licensee shall pay an amount equal to the amount
10 certified by the Board to the City.

11 (e) Subsections (c) and (d) of this Section shall not apply
12 if the owners licensee and electronic gaming licensee have
13 entered into an agreement for the joint operation of an
14 electronic gaming facility, subject to the approval of the
15 Board. Any such joint agreement must include a provision
16 ensuring that the City shall receive its fair share of revenue
17 from the joint operation of an electronic gaming facility.

18 (230 ILCS 10/14) (from Ch. 120, par. 2414)

19 Sec. 14. Licensees - Records - Reports - Supervision.

20 (a) Licensed owners and electronic gaming licensees A
21 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
22 clearly show the following:

23 (1) The amount received daily from admission fees.

24 (2) The total amount of gross receipts.

25 (3) The total amount of the adjusted gross receipts.

1 (b) Licensed owners and electronic gaming licensees ~~The~~
2 ~~licensed owner~~ shall furnish to the Board reports and
3 information as the Board may require with respect to its
4 activities on forms designed and supplied for such purpose by
5 the Board.

6 (c) The books and records kept by a licensed owner as
7 provided by this Section are public records and the
8 examination, publication, and dissemination of the books and
9 records are governed by the provisions of The Freedom of
10 Information Act.

11 (Source: P.A. 86-1029.)

12 (230 ILCS 10/15) (from Ch. 120, par. 2415)

13 Sec. 15. Audit of Licensee Operations. Annually, the
14 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
15 transmit to the Board an audit of the financial transactions
16 and condition of the licensee's or manager's total operations.
17 Additionally, within 90 days after the end of each quarter of
18 each fiscal year, the licensed owner, ~~or~~ manager, or electronic
19 gaming licensee shall transmit to the Board a compliance report
20 on engagement procedures determined by the Board. All audits
21 and compliance engagements shall be conducted by certified
22 public accountants selected by the Board. Each certified public
23 accountant must be registered in the State of Illinois under
24 the Illinois Public Accounting Act. The compensation for each
25 certified public accountant shall be paid directly by the

1 licensed owner, ~~or~~ manager, or electronic gaming licensee to
2 the certified public accountant.

3 (Source: P.A. 96-1392, eff. 1-1-11.)

4 (230 ILCS 10/16) (from Ch. 120, par. 2416)

5 Sec. 16. Annual Report of Board. The Board shall make an
6 annual report to the Governor, for the period ending December
7 31 of each year. Included in the report shall be an account of
8 the Board actions, its financial position and results of
9 operation under this Act and the Chicago Casino Development
10 Authority Act, the practical results attained under this Act
11 and the Chicago Casino Development Authority Act and any
12 recommendations for legislation which the Board deems
13 advisable.

14 (Source: P.A. 86-1029.)

15 (230 ILCS 10/17) (from Ch. 120, par. 2417)

16 Sec. 17. Administrative Procedures. The Illinois
17 Administrative Procedure Act shall apply to all administrative
18 rules and procedures of the Board under this Act, the Chicago
19 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,
20 except that: (1) subsection (b) of Section 5-10 of the Illinois
21 Administrative Procedure Act does not apply to final orders,
22 decisions and opinions of the Board; (2) subsection (a) of
23 Section 5-10 of the Illinois Administrative Procedure Act does
24 not apply to forms established by the Board for use under this

1 Act, the Chicago Casino Development Authority Act, and or the
2 Video Gaming Act; (3) the provisions of Section 10-45 of the
3 Illinois Administrative Procedure Act regarding proposals for
4 decision are excluded under this Act, the Chicago Casino
5 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
6 the provisions of subsection (d) of Section 10-65 of the
7 Illinois Administrative Procedure Act do not apply so as to
8 prevent summary suspension of any license pending revocation or
9 other action, which suspension shall remain in effect unless
10 modified by the Board or unless the Board's decision is
11 reversed on the merits upon judicial review.

12 (Source: P.A. 96-34, eff. 7-13-09.)

13 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

14 Sec. 17.1. Judicial Review.

15 (a) Jurisdiction and venue for the judicial review of a
16 final order of the Board relating to licensed owners,
17 suppliers, electronic gaming licensees, and ~~or~~ special event
18 licenses is vested in the Appellate Court of the judicial
19 district in which Sangamon County is located. A petition for
20 judicial review of a final order of the Board must be filed in
21 the Appellate Court, within 35 days from the date that a copy
22 of the decision sought to be reviewed was served upon the party
23 affected by the decision.

24 (b) Judicial review of all other final orders of the Board
25 shall be conducted in accordance with the Administrative Review

1 Law.

2 (Source: P.A. 88-1.)

3 (230 ILCS 10/18) (from Ch. 120, par. 2418)

4 Sec. 18. Prohibited Activities - Penalty.

5 (a) A person is guilty of a Class A misdemeanor for doing
6 any of the following:

7 (1) Conducting gambling where wagering is used or to be
8 used without a license issued by the Board.

9 (2) Conducting gambling where wagering is permitted
10 other than in the manner specified by Section 11.

11 (b) A person is guilty of a Class B misdemeanor for doing
12 any of the following:

13 (1) permitting a person under 21 years to make a wager;

14 or

15 (2) violating paragraph (12) of subsection (a) of
16 Section 11 of this Act.

17 (c) A person wagering or accepting a wager at any location
18 outside the riverboat, casino, or electronic gaming facility in
19 violation of paragraph ~~is subject to the penalties in~~
20 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
21 Criminal Code of 2012 is subject to the penalties provided in
22 that Section.

23 (d) A person commits a Class 4 felony and, in addition,
24 shall be barred for life from gambling operations ~~riverboats~~
25 under the jurisdiction of the Board, if the person does any of

1 the following:

2 (1) Offers, promises, or gives anything of value or
3 benefit to a person who is connected with a riverboat or
4 casino owner or electronic gaming licensee, including, but
5 not limited to, an officer or employee of a licensed owner,
6 electronic gaming licensee, or holder of an occupational
7 license pursuant to an agreement or arrangement or with the
8 intent that the promise or thing of value or benefit will
9 influence the actions of the person to whom the offer,
10 promise, or gift was made in order to affect or attempt to
11 affect the outcome of a gambling game, or to influence
12 official action of a member of the Board.

13 (2) Solicits or knowingly accepts or receives a promise
14 of anything of value or benefit while the person is
15 connected with a riverboat, casino, or electronic gaming
16 facility, including, but not limited to, an officer or
17 employee of a licensed owner or electronic gaming licensee,
18 or the holder of an occupational license, pursuant to an
19 understanding or arrangement or with the intent that the
20 promise or thing of value or benefit will influence the
21 actions of the person to affect or attempt to affect the
22 outcome of a gambling game, or to influence official action
23 of a member of the Board.

24 (3) Uses or possesses with the intent to use a device
25 to assist:

26 (i) In projecting the outcome of the game.

1 (ii) In keeping track of the cards played.

2 (iii) In analyzing the probability of the
3 occurrence of an event relating to the gambling game.

4 (iv) In analyzing the strategy for playing or
5 betting to be used in the game except as permitted by
6 the Board.

7 (4) Cheats at a gambling game.

8 (5) Manufactures, sells, or distributes any cards,
9 chips, dice, game or device which is intended to be used to
10 violate any provision of this Act or the Chicago Casino
11 Development Authority Act.

12 (6) Alters or misrepresents the outcome of a gambling
13 game on which wagers have been made after the outcome is
14 made sure but before it is revealed to the players.

15 (7) Places a bet after acquiring knowledge, not
16 available to all players, of the outcome of the gambling
17 game which is subject of the bet or to aid a person in
18 acquiring the knowledge for the purpose of placing a bet
19 contingent on that outcome.

20 (8) Claims, collects, or takes, or attempts to claim,
21 collect, or take, money or anything of value in or from the
22 gambling games, with intent to defraud, without having made
23 a wager contingent on winning a gambling game, or claims,
24 collects, or takes an amount of money or thing of value of
25 greater value than the amount won.

26 (9) Uses counterfeit chips or tokens in a gambling

1 game.

2 (10) Possesses any key or device designed for the
3 purpose of opening, entering, or affecting the operation of
4 a gambling game, drop box, or an electronic or mechanical
5 device connected with the gambling game or for removing
6 coins, tokens, chips or other contents of a gambling game.
7 This paragraph (10) does not apply to a gambling licensee
8 or employee of a gambling licensee acting in furtherance of
9 the employee's employment.

10 (e) The possession of more than one of the devices
11 described in subsection (d), paragraphs (3), (5), or (10)
12 permits a rebuttable presumption that the possessor intended to
13 use the devices for cheating.

14 (f) A person under the age of 21 who, except as authorized
15 under paragraph (10) of Section 11, enters upon a riverboat or
16 in a casino or electronic gaming facility commits a petty
17 offense and is subject to a fine of not less than \$100 or more
18 than \$250 for a first offense and of not less than \$200 or more
19 than \$500 for a second or subsequent offense.

20 An action to prosecute any crime occurring on a riverboat
21 shall be tried in the county of the dock at which the riverboat
22 is based. An action to prosecute any crime occurring in a
23 casino or electronic gaming facility shall be tried in the
24 county in which the casino or electronic gaming facility is
25 located.

26 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

1 (230 ILCS 10/18.1)

2 Sec. 18.1. Distribution of certain fines. If a fine is
3 imposed on an owner licensee or an electronic gaming licensee
4 for knowingly sending marketing or promotional materials to any
5 person placed on the self-exclusion list, then the Board shall
6 distribute an amount equal to 15% of the fine imposed to the
7 unit of local government in which the casino, riverboat, or
8 electronic gaming facility is located for the purpose of
9 awarding grants to non-profit entities that assist gambling
10 addicts.

11 (Source: P.A. 96-224, eff. 8-11-09.)

12 (230 ILCS 10/18.2 new)

13 Sec. 18.2. Prohibition on political contributions from
14 certain licensees and applicants.

15 (a) The General Assembly has a compelling interest in
16 protecting the integrity of both the electoral process and the
17 legislative process by preventing corruption and the
18 appearance of corruption which may arise through permitting
19 certain political campaign contributions by certain persons
20 involved in the gaming industry and regulated by the State.
21 Unlike most other regulated industries, gaming is especially
22 susceptible to corruption and potential criminal influence.

23 In Illinois, only licensed gaming activities are legal and
24 all other gaming activities are strictly prohibited. Given

1 these circumstances, it is imperative to eliminate any
2 potential corrupt influence in the gaming industry and the
3 electoral process. Banning political campaign contributions by
4 certain persons subject to this Section to State officeholders
5 and candidates for such offices and to county and municipal
6 officeholders and candidates for such offices in counties and
7 municipalities that receive financial benefits from gaming
8 activities is necessary to prevent corruption and the
9 appearance of corruption that may arise when political campaign
10 contributions and gaming that is regulated by the State and
11 that confers benefits on counties and municipalities are
12 intermingled.

13 The General Assembly has prohibited political campaign
14 contributions to certain State and local officeholders and
15 candidates for such offices by certain persons with State of
16 Illinois and Metropolitan Pier and Exposition Authority
17 contracts and pending bids or proposals for contracts of over
18 \$50,000 and certain individuals and entities affiliated with
19 such persons. Certain gaming licensees will receive receipts
20 far in excess of the base level of contract amounts subject to
21 such other campaign contribution prohibitions.

22 (b) As used in this Section:

23 "Affiliated entity" means (i) any corporate parent and each
24 operating subsidiary of the business entity applying for or
25 holding a license, (ii) each operating subsidiary of the
26 corporate parent of the business entity applying for or holding

1 a license, (iii) any organization recognized by the United
2 States Internal Revenue Service as a tax-exempt organization
3 described in Section 501(c) of the Internal Revenue Code of
4 1986 (or any successor provision of federal tax law)
5 established by one or more business entities seeking or holding
6 a license, any affiliated entity of such business entity, or
7 any affiliated person of such business entity, and (iv) any
8 political committee for which the business entity applying for
9 or holding a license, or any 501(c) organization described in
10 item (iii) related to that business entity, is the sponsoring
11 entity, as defined in Section 9-3 of the Election Code. For
12 purposes of item (iv), the funding of all business entities
13 applying for or holding a license shall be aggregated in
14 determining whether such political committee is an affiliated
15 entity.

16 "Affiliated person" means (i) any person with any ownership
17 interest or distributive share in excess of 7.5% of any
18 business entity applying for or holding a license, (ii)
19 executive employees of any such business entity, (iii) any
20 person designated as a key person under this Act, and (iv) the
21 spouse of such persons.

22 "Contribution" means a contribution as defined in Section
23 9-1.4 of the Election Code.

24 "Declared candidate" means a person who has filed a
25 statement of candidacy and petition for nomination or election
26 in the principal office of the State Board of Elections, or in

1 the office of the appropriate election authority for any county
2 or municipality in which a casino or electronic gaming device
3 is located or proposed or which receives any gaming revenue.

4 "Executive employee" means any person who is (i) an officer
5 or director or who fulfills duties equivalent to those of an
6 officer or director of a business entity applying for or
7 holding a license and (ii) any employee of such business entity
8 who is required to register under the Lobbyist Registration
9 Act.

10 "License" means any owner, electronic gaming, or manager
11 license issued pursuant to this Act.

12 "Officeholder" means the Governor, Lieutenant Governor,
13 Attorney General, Secretary of State, Comptroller, Treasurer,
14 member of the General Assembly, or any officeholder in any
15 county or municipality in which a riverboat, casino, or
16 electronic gaming device is located or proposed or which
17 receives any gaming revenue.

18 "Business entity" means any entity doing business for
19 profit, whether organized as a corporation, partnership, sole
20 proprietorship, limited liability company, or partnership or
21 otherwise.

22 (c) Any person or business entity applying for or holding a
23 license, any affiliated entities or persons of such business
24 entity, and any entities or persons soliciting a contribution
25 or causing a contribution to be made on behalf of such person
26 or business entity, are prohibited from making any contribution

1 to any officeholder or declared candidate or any political
2 committee affiliated with any officeholder or declared
3 candidate, as defined in Section 9-1.8 of the Election Code.
4 This prohibition shall commence upon filing of an application
5 for a license and shall continue for a period of 2 years after
6 termination, suspension, or revocation of the license.

7 The Board shall have authority to suspend, revoke, or
8 restrict the license and to impose civil penalties of up to
9 \$100,000 for each violation of this subsection (c). A notice of
10 each such violation and the penalty imposed shall be published
11 on the Board's website and in the Illinois Register. Payments
12 received by the State pursuant to this subsection (c) shall be
13 deposited into the General Revenue Fund.

14 Any officeholder or declared candidate or any political
15 committee affiliated with any officeholder or declared
16 candidate that has received a contribution in violation of this
17 subsection (c) shall pay an amount equal to the value of the
18 contribution to the State no more than 30 days after notice of
19 the violation concerning the contribution appears in the
20 Illinois Register. Payments received by the State pursuant to
21 this subsection (c) shall be deposited into the General Revenue
22 Fund.

23 (d) The Board shall post on its website a list of all
24 persons, business entities, and affiliated entities prohibited
25 from making contributions to any officeholder or declared
26 candidate political committee pursuant to subsection (c),

1 which list shall be updated and published on, at a minimum, a
2 semiannual basis.

3 Any person, business entity, or affiliated entity
4 prohibited from making contributions to any officeholder or
5 declared candidate political committee pursuant to subsection
6 (c) shall notify the Board within 7 days after discovering any
7 necessary change or addition to the information relating to
8 that person, business entity, or affiliated entity contained in
9 the list.

10 An individual who acts in good faith and in reliance on any
11 information contained in the list shall not be subject to any
12 penalties or liability imposed for a violation of this Section.

13 (e) If any provision of this Section is held invalid or its
14 application to any person or circumstance is held invalid, the
15 invalidity of that provision or application does not affect the
16 other provisions or applications of this Section that can be
17 given effect without the invalid application or provision.

18 (230 ILCS 10/19) (from Ch. 120, par. 2419)

19 Sec. 19. Forfeiture of property.

20 (a) Except as provided in subsection (b), any riverboat,
21 casino, or electronic gaming facility used for the conduct of
22 gambling games in violation of this Act shall be considered a
23 gambling place in violation of Section 28-3 of the Criminal
24 Code of 2012. Every gambling device found on a riverboat, in a
25 casino, or at an electronic gaming facility operating gambling

1 games in violation of this Act and every slot machine and video
2 game of chance found at an electronic gaming facility operating
3 gambling games in violation of this Act or the Chicago Casino
4 Development Authority Act shall be subject to seizure,
5 confiscation and destruction as provided in Section 28-5 of the
6 Criminal Code of 2012.

7 (b) It is not a violation of this Act for a riverboat or
8 other watercraft which is licensed for gaming by a contiguous
9 state to dock on the shores of this State if the municipality
10 having jurisdiction of the shores, or the county in the case of
11 unincorporated areas, has granted permission for docking and no
12 gaming is conducted on the riverboat or other watercraft while
13 it is docked on the shores of this State. No gambling device
14 shall be subject to seizure, confiscation or destruction if the
15 gambling device is located on a riverboat or other watercraft
16 which is licensed for gaming by a contiguous state and which is
17 docked on the shores of this State if the municipality having
18 jurisdiction of the shores, or the county in the case of
19 unincorporated areas, has granted permission for docking and no
20 gaming is conducted on the riverboat or other watercraft while
21 it is docked on the shores of this State.

22 (Source: P.A. 97-1150, eff. 1-25-13.)

23 (230 ILCS 10/20) (from Ch. 120, par. 2420)

24 Sec. 20. Prohibited activities - civil penalties. Any
25 person who conducts a gambling operation without first

1 obtaining a license to do so, or who continues to conduct such
2 games after revocation of his license, or any licensee who
3 conducts or allows to be conducted any unauthorized gambling
4 games on a riverboat, in a casino, or at an electronic gaming
5 facility where it is authorized to conduct its ~~riverboat~~
6 gambling operation, in addition to other penalties provided,
7 shall be subject to a civil penalty equal to the amount of
8 gross receipts derived from wagering on the gambling games,
9 whether unauthorized or authorized, conducted on that day as
10 well as confiscation and forfeiture of all gambling game
11 equipment used in the conduct of unauthorized gambling games.

12 (Source: P.A. 86-1029.)

13 (230 ILCS 10/21) (from Ch. 120, par. 2421)

14 Sec. 21. Limitation on taxation of licensees. Licensees
15 shall not be subjected to any excise tax, license tax, permit
16 tax, privilege tax, occupation tax or excursion tax which is
17 imposed exclusively upon the licensee by the State or any
18 political subdivision thereof, except as provided in this Act
19 or the Chicago Casino Development Authority Act.

20 (Source: P.A. 86-1029.)

21 (230 ILCS 10/23) (from Ch. 120, par. 2423)

22 Sec. 23. The State Gaming Fund. On or after the effective
23 date of this Act, except as provided for payments into the
24 Horse Racing Equity Trust Fund under subsection (a) of Section

1 7, all of the fees and taxes collected pursuant to this Act or
2 the Chicago Casino Development Authority Act shall be deposited
3 into the State Gaming Fund, a special fund in the State
4 Treasury, which is hereby created. The adjusted gross receipts
5 of any riverboat gambling operations conducted by a licensed
6 manager on behalf of the State remaining after the payment of
7 the fees and expenses of the licensed manager shall be
8 deposited into the State Gaming Fund. Fines and penalties
9 collected pursuant to this Act or the Chicago Casino
10 Development Authority Act shall be deposited into the Education
11 Assistance Fund, created by Public Act 86-0018, of the State of
12 Illinois.

13 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

14 (230 ILCS 10/24)

15 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
16 Act. The provisions of the this ~~Illinois Riverboat Gambling~~
17 Act, and all rules promulgated thereunder, shall apply to the
18 Chicago Casino Development Authority Act and the Video Gaming
19 Act, except where there is a conflict between the ~~2~~ Acts. In
20 the event of a conflict between this Act and the Chicago Casino
21 Development Authority Act, the terms of the Chicago Casino
22 Development Authority Act shall prevail. In the event of a
23 conflict between this Act and the Video Gaming Act, the terms
24 of this Act shall prevail.

25 (Source: P.A. 96-37, eff. 7-13-09.)

1 Section 90-42. The Video Gaming Act is amended by changing
2 Sections 5, 25, 45, 79, and 80 and by adding Section 81 as
3 follows:

4 (230 ILCS 40/5)

5 Sec. 5. Definitions. As used in this Act:

6 "Board" means the Illinois Gaming Board.

7 "Credit" means one, 5, 10, or 25 cents either won or
8 purchased by a player.

9 "Distributor" means an individual, partnership,
10 corporation, or limited liability company licensed under this
11 Act to buy, sell, lease, or distribute video gaming terminals
12 or major components or parts of video gaming terminals to or
13 from terminal operators.

14 "Terminal operator" means an individual, partnership,
15 corporation, or limited liability company that is licensed
16 under this Act and that owns, services, and maintains video
17 gaming terminals for placement in licensed establishments,
18 licensed truck stop establishments, licensed fraternal
19 establishments, or licensed veterans establishments.

20 "Licensed technician" means an individual who is licensed
21 under this Act to repair, service, and maintain video gaming
22 terminals.

23 "Licensed terminal handler" means a person, including but
24 not limited to an employee or independent contractor working

1 for a manufacturer, distributor, supplier, technician, or
2 terminal operator, who is licensed under this Act to possess or
3 control a video gaming terminal or to have access to the inner
4 workings of a video gaming terminal. A licensed terminal
5 handler does not include an individual, partnership,
6 corporation, or limited liability company defined as a
7 manufacturer, distributor, supplier, technician, or terminal
8 operator under this Act.

9 "Manufacturer" means an individual, partnership,
10 corporation, or limited liability company that is licensed
11 under this Act and that manufactures or assembles video gaming
12 terminals.

13 "Supplier" means an individual, partnership, corporation,
14 or limited liability company that is licensed under this Act to
15 supply major components or parts to video gaming terminals to
16 licensed terminal operators.

17 "Net terminal income" means money put into a video gaming
18 terminal minus credits paid out to players.

19 "Video gaming terminal" means any electronic video game
20 machine that, upon insertion of cash, is available to play or
21 simulate the play of a video game, including but not limited to
22 video poker, line up, and blackjack, as authorized by the Board
23 utilizing a video display and microprocessors in which the
24 player may receive free games or credits that can be redeemed
25 for cash. The term does not include a machine that directly
26 dispenses coins, cash, or tokens or is for amusement purposes

1 only.

2 "Licensed establishment" means any licensed retail
3 establishment where alcoholic liquor is drawn, poured, mixed,
4 or otherwise served for consumption on the premises and
5 includes any such establishment that has a contractual
6 relationship with an inter-track wagering location licensee
7 licensed under the Illinois Horse Racing Act of 1975, provided
8 any contractual relationship shall not include any transfer or
9 offer of revenue from the operation of video gaming under this
10 Act to any licensee licensed under the Illinois Horse Racing
11 Act of 1975. Provided, however, that the licensed establishment
12 that has such a contractual relationship with an inter-track
13 wagering location licensee may not, itself, be (i) an
14 inter-track wagering location licensee, (ii) the corporate
15 parent or subsidiary of any licensee licensed under the
16 Illinois Horse Racing Act of 1975, or (iii) the corporate
17 subsidiary of a corporation that is also the corporate parent
18 or subsidiary of any licensee licensed under the Illinois Horse
19 Racing Act of 1975. "Licensed establishment" does not include a
20 facility operated by an organization licensee, an inter-track
21 wagering licensee, or an inter-track wagering location
22 licensee licensed under the Illinois Horse Racing Act of 1975
23 or a riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling
24 Act, except as provided in this paragraph.

25 "Licensed fraternal establishment" means the location
26 where a qualified fraternal organization that derives its

1 charter from a national fraternal organization regularly
2 meets.

3 "Licensed veterans establishment" means the location where
4 a qualified veterans organization that derives its charter from
5 a national veterans organization regularly meets.

6 "Licensed truck stop establishment" means a facility (i)
7 that is at least a 3-acre facility with a convenience store,
8 (ii) with separate diesel islands for fueling commercial motor
9 vehicles, (iii) that sells at retail more than 10,000 gallons
10 of diesel or biodiesel fuel per month, and (iv) with parking
11 spaces for commercial motor vehicles. "Commercial motor
12 vehicles" has the same meaning as defined in Section 18b-101 of
13 the Illinois Vehicle Code. The requirement of item (iii) of
14 this paragraph may be met by showing that estimated future
15 sales or past sales average at least 10,000 gallons per month.
16 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
17 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff.
18 8-12-11.)

19 (230 ILCS 40/25)

20 Sec. 25. Restriction of licensees.

21 (a) Manufacturer. A person may not be licensed as a
22 manufacturer of a video gaming terminal in Illinois unless the
23 person has a valid manufacturer's license issued under this
24 Act. A manufacturer may only sell video gaming terminals for
25 use in Illinois to persons having a valid distributor's

1 license.

2 (b) Distributor. A person may not sell, distribute, or
3 lease or market a video gaming terminal in Illinois unless the
4 person has a valid distributor's license issued under this Act.
5 A distributor may only sell video gaming terminals for use in
6 Illinois to persons having a valid distributor's or terminal
7 operator's license.

8 (c) Terminal operator. A person may not own, maintain, or
9 place a video gaming terminal unless he has a valid terminal
10 operator's license issued under this Act. A terminal operator
11 may only place video gaming terminals for use in Illinois in
12 licensed establishments, licensed truck stop establishments,
13 licensed fraternal establishments, and licensed veterans
14 establishments. No terminal operator may give anything of
15 value, including but not limited to a loan or financing
16 arrangement, to a licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment, or licensed
18 veterans establishment as any incentive or inducement to locate
19 video terminals in that establishment. Of the after-tax profits
20 from a video gaming terminal, 50% shall be paid to the terminal
21 operator and 50% shall be paid to the licensed establishment,
22 licensed truck stop establishment, licensed fraternal
23 establishment, or licensed veterans establishment,
24 notwithstanding any agreement to the contrary. A video terminal
25 operator that violates one or more requirements of this
26 subsection is guilty of a Class 4 felony and is subject to

1 termination of his or her license by the Board.

2 (d) Licensed technician. A person may not service,
3 maintain, or repair a video gaming terminal in this State
4 unless he or she (1) has a valid technician's license issued
5 under this Act, (2) is a terminal operator, or (3) is employed
6 by a terminal operator, distributor, or manufacturer.

7 (d-5) Licensed terminal handler. No person, including, but
8 not limited to, an employee or independent contractor working
9 for a manufacturer, distributor, supplier, technician, or
10 terminal operator licensed pursuant to this Act, shall have
11 possession or control of a video gaming terminal, or access to
12 the inner workings of a video gaming terminal, unless that
13 person possesses a valid terminal handler's license issued
14 under this Act.

15 (e) Licensed establishment. No video gaming terminal may be
16 placed in any licensed establishment, licensed veterans
17 establishment, licensed truck stop establishment, or licensed
18 fraternal establishment unless the owner or agent of the owner
19 of the licensed establishment, licensed veterans
20 establishment, licensed truck stop establishment, or licensed
21 fraternal establishment has entered into a written use
22 agreement with the terminal operator for placement of the
23 terminals. A copy of the use agreement shall be on file in the
24 terminal operator's place of business and available for
25 inspection by individuals authorized by the Board. A licensed
26 establishment, licensed truck stop establishment, licensed

1 veterans establishment, or licensed fraternal establishment
2 may operate up to 5 video gaming terminals on its premises at
3 any time.

4 (f) (Blank).

5 (g) Financial interest restrictions. As used in this Act,
6 "substantial interest" in a partnership, a corporation, an
7 organization, an association, a business, or a limited
8 liability company means:

9 (A) When, with respect to a sole proprietorship, an
10 individual or his or her spouse owns, operates, manages, or
11 conducts, directly or indirectly, the organization,
12 association, or business, or any part thereof; or

13 (B) When, with respect to a partnership, the individual
14 or his or her spouse shares in any of the profits, or
15 potential profits, of the partnership activities; or

16 (C) When, with respect to a corporation, an individual
17 or his or her spouse is an officer or director, or the
18 individual or his or her spouse is a holder, directly or
19 beneficially, of 5% or more of any class of stock of the
20 corporation; or

21 (D) When, with respect to an organization not covered
22 in (A), (B) or (C) above, an individual or his or her
23 spouse is an officer or manages the business affairs, or
24 the individual or his or her spouse is the owner of or
25 otherwise controls 10% or more of the assets of the
26 organization; or

1 (E) When an individual or his or her spouse furnishes
2 5% or more of the capital, whether in cash, goods, or
3 services, for the operation of any business, association,
4 or organization during any calendar year; or

5 (F) When, with respect to a limited liability company,
6 an individual or his or her spouse is a member, or the
7 individual or his or her spouse is a holder, directly or
8 beneficially, of 5% or more of the membership interest of
9 the limited liability company.

10 For purposes of this subsection (g), "individual" includes
11 all individuals or their spouses whose combined interest would
12 qualify as a substantial interest under this subsection (g) and
13 whose activities with respect to an organization, association,
14 or business are so closely aligned or coordinated as to
15 constitute the activities of a single entity.

16 (h) Location restriction. A licensed establishment,
17 licensed truck stop establishment, licensed fraternal
18 establishment, or licensed veterans establishment that is (i)
19 located within 1,000 feet of a facility operated by an
20 organization licensee or an inter-track wagering licensee
21 licensed under the Illinois Horse Racing Act of 1975 or the
22 home dock of a riverboat licensed under the Illinois Riverboat
23 Gambling Act or (ii) located within 100 feet of a school or a
24 place of worship under the Religious Corporation Act, is
25 ineligible to operate a video gaming terminal. The location
26 restrictions in this subsection (h) do not apply if a facility

1 operated by an organization licensee, an inter-track wagering
2 licensee, or an inter-track wagering location licensee, a
3 school, or a place of worship moves to or is established within
4 the restricted area after a licensed establishment, licensed
5 truck stop establishment, licensed fraternal establishment, or
6 licensed veterans establishment becomes licensed under this
7 Act. For the purpose of this subsection, "school" means an
8 elementary or secondary public school, or an elementary or
9 secondary private school registered with or recognized by the
10 State Board of Education.

11 Notwithstanding the provisions of this subsection (h), the
12 Board may waive the requirement that a licensed establishment,
13 licensed truck stop establishment, licensed fraternal
14 establishment, or licensed veterans establishment not be
15 located within 1,000 feet from a facility operated by an
16 organization licensee, an inter-track wagering licensee, or an
17 inter-track wagering location licensee licensed under the
18 Illinois Horse Racing Act of 1975 or the home dock of a
19 riverboat licensed under the Illinois ~~Riverboat~~ Gambling Act.
20 The Board shall not grant such waiver if there is any common
21 ownership or control, shared business activity, or contractual
22 arrangement of any type between the establishment and the
23 organization licensee, inter-track wagering licensee,
24 inter-track wagering location licensee, or owners licensee of a
25 riverboat. The Board shall adopt rules to implement the
26 provisions of this paragraph.

1 (i) Undue economic concentration. In addition to
2 considering all other requirements under this Act, in deciding
3 whether to approve the operation of video gaming terminals by a
4 terminal operator in a location, the Board shall consider the
5 impact of any economic concentration of such operation of video
6 gaming terminals. The Board shall not allow a terminal operator
7 to operate video gaming terminals if the Board determines such
8 operation will result in undue economic concentration. For
9 purposes of this Section, "undue economic concentration" means
10 that a terminal operator would have such actual or potential
11 influence over video gaming terminals in Illinois as to:

12 (1) substantially impede or suppress competition among
13 terminal operators;

14 (2) adversely impact the economic stability of the
15 video gaming industry in Illinois; or

16 (3) negatively impact the purposes of the Video Gaming
17 Act.

18 The Board shall adopt rules concerning undue economic
19 concentration with respect to the operation of video gaming
20 terminals in Illinois. The rules shall include, but not be
21 limited to, (i) limitations on the number of video gaming
22 terminals operated by any terminal operator within a defined
23 geographic radius and (ii) guidelines on the discontinuation of
24 operation of any such video gaming terminals the Board
25 determines will cause undue economic concentration.

26 (j) The provisions of the Illinois Antitrust Act are fully

1 and equally applicable to the activities of any licensee under
2 this Act.

3 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
4 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
5 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

6 (230 ILCS 40/45)

7 Sec. 45. Issuance of license.

8 (a) The burden is upon each applicant to demonstrate his
9 suitability for licensure. Each video gaming terminal
10 manufacturer, distributor, supplier, operator, handler,
11 licensed establishment, licensed truck stop establishment,
12 licensed fraternal establishment, and licensed veterans
13 establishment shall be licensed by the Board. The Board may
14 issue or deny a license under this Act to any person pursuant
15 to the same criteria set forth in Section 9 of the Illinois
16 ~~Riverboat~~ Gambling Act.

17 (a-5) The Board shall not grant a license to a person who
18 has facilitated, enabled, or participated in the use of
19 coin-operated devices for gambling purposes or who is under the
20 significant influence or control of such a person. For the
21 purposes of this Act, "facilitated, enabled, or participated in
22 the use of coin-operated amusement devices for gambling
23 purposes" means that the person has been convicted of any
24 violation of Article 28 of the Criminal Code of 1961 or the
25 Criminal Code of 2012. If there is pending legal action against

1 a person for any such violation, then the Board shall delay the
2 licensure of that person until the legal action is resolved.

3 (b) Each person seeking and possessing a license as a video
4 gaming terminal manufacturer, distributor, supplier, operator,
5 handler, licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment shall submit to a background
8 investigation conducted by the Board with the assistance of the
9 State Police or other law enforcement. The background
10 investigation shall include each beneficiary of a trust, each
11 partner of a partnership, and each director and officer and all
12 stockholders of 5% or more in a parent or subsidiary
13 corporation of a video gaming terminal manufacturer,
14 distributor, supplier, operator, or licensed establishment,
15 licensed truck stop establishment, licensed fraternal
16 establishment, or licensed veterans establishment.

17 (c) Each person seeking and possessing a license as a video
18 gaming terminal manufacturer, distributor, supplier, operator,
19 handler, licensed establishment, licensed truck stop
20 establishment, licensed fraternal establishment, or licensed
21 veterans establishment shall disclose the identity of every
22 person, association, trust, corporation, or limited liability
23 company having a greater than 1% direct or indirect pecuniary
24 interest in the video gaming terminal operation for which the
25 license is sought. If the disclosed entity is a trust, the
26 application shall disclose the names and addresses of the

1 beneficiaries; if a corporation, the names and addresses of all
2 stockholders and directors; if a limited liability company, the
3 names and addresses of all members; or if a partnership, the
4 names and addresses of all partners, both general and limited.

5 (d) No person may be licensed as a video gaming terminal
6 manufacturer, distributor, supplier, operator, handler,
7 licensed establishment, licensed truck stop establishment,
8 licensed fraternal establishment, or licensed veterans
9 establishment if that person has been found by the Board to:

10 (1) have a background, including a criminal record,
11 reputation, habits, social or business associations, or
12 prior activities that pose a threat to the public interests
13 of the State or to the security and integrity of video
14 gaming;

15 (2) create or enhance the dangers of unsuitable,
16 unfair, or illegal practices, methods, and activities in
17 the conduct of video gaming; or

18 (3) present questionable business practices and
19 financial arrangements incidental to the conduct of video
20 gaming activities.

21 (e) Any applicant for any license under this Act has the
22 burden of proving his or her qualifications to the satisfaction
23 of the Board. The Board may adopt rules to establish additional
24 qualifications and requirements to preserve the integrity and
25 security of video gaming in this State.

26 (f) A non-refundable application fee shall be paid at the

1 time an application for a license is filed with the Board in
2 the following amounts:

- 3 (1) Manufacturer \$5,000
- 4 (2) Distributor..... \$5,000
- 5 (3) Terminal operator..... \$5,000
- 6 (4) Supplier \$2,500
- 7 (5) Technician \$100
- 8 (6) Terminal Handler \$50

9 (g) The Board shall establish an annual fee for each
10 license not to exceed the following:

- 11 (1) Manufacturer \$10,000
- 12 (2) Distributor..... \$10,000
- 13 (3) Terminal operator..... \$5,000
- 14 (4) Supplier \$2,000
- 15 (5) Technician \$100
- 16 (6) Licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment,
18 or licensed veterans establishment \$100
- 19 (7) Video gaming terminal..... \$100
- 20 (8) Terminal Handler \$50

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
22 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
23 97-1150, eff. 1-25-13.)

24 (230 ILCS 40/79)

25 Sec. 79. Investigators. Investigators appointed by the

1 Board pursuant to the powers conferred upon the Board by
2 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
3 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have
4 authority to conduct investigations, searches, seizures,
5 arrests, and other duties imposed under this Act and the
6 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the
7 Board. These investigators have and may exercise all of the
8 rights and powers of peace officers, provided that these powers
9 shall be (1) limited to offenses or violations occurring or
10 committed in connection with conduct subject to this Act,
11 including, but not limited to, the manufacture, distribution,
12 supply, operation, placement, service, maintenance, or play of
13 video gaming terminals and the distribution of profits and
14 collection of revenues resulting from such play, and (2)
15 exercised, to the fullest extent practicable, in cooperation
16 with the local police department of the applicable municipality
17 or, if these powers are exercised outside the boundaries of an
18 incorporated municipality or within a municipality that does
19 not have its own police department, in cooperation with the
20 police department whose jurisdiction encompasses the
21 applicable locality.

22 (Source: P.A. 97-809, eff. 7-13-12.)

23 (230 ILCS 40/80)

24 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.
25 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all

1 rules promulgated thereunder, shall apply to the Video Gaming
2 Act, except where there is a conflict between the 2 Acts. In
3 the event of a conflict between the 2 Acts, the provisions of
4 the Illinois Gambling Act shall prevail. All provisions of the
5 Uniform Penalty and Interest Act shall apply, as far as
6 practicable, to the subject matter of this Act to the same
7 extent as if such provisions were included herein.

8 (Source: P.A. 96-37, eff. 7-13-09.)

9 (230 ILCS 40/81 new)

10 Sec. 81. Prohibition of political contributions from
11 certain licensees and applicants.

12 (a) The General Assembly has a compelling interest in
13 protecting the integrity of both the electoral process and the
14 legislative process by preventing corruption and the
15 appearance of corruption which may arise through permitting
16 certain political campaign contributions by certain persons
17 involved in the gaming industry and regulated by the State.
18 Unlike most other regulated industries, gaming is especially
19 susceptible to corruption and potential criminal influence.

20 In Illinois, only licensed gaming activities are legal and
21 all other gaming activities are strictly prohibited. Given
22 these circumstances, it is imperative to eliminate any
23 potential corrupt influence in the gaming industry and the
24 electoral process. Banning political campaign contributions by
25 certain persons subject to this Section to State officeholders

1 and candidates for such offices and, where necessary, to county
2 and municipal officeholders and candidates for such offices in
3 counties and municipalities that receive financial benefits
4 from gaming activities is necessary to prevent corruption and
5 the appearance of corruption that may arise when political
6 campaign contributions and gaming that is regulated by the
7 State and that confers benefits on counties and municipalities
8 are intermingled.

9 (b) As used in this Section:

10 "Affiliated entity" means (i) any corporate parent and each
11 operating subsidiary of the business entity applying for or
12 holding a license, (ii) each operating subsidiary of the
13 corporate parent of the business entity applying for or holding
14 a license, (iii) any organization recognized by the United
15 States Internal Revenue Service as a tax-exempt organization
16 described in Section 501(c) of the Internal Revenue Code of
17 1986 (or any successor provision of federal tax law)
18 established by one or more business entities seeking or holding
19 a license, any affiliated entity of such business entity, or
20 any affiliated person of such business entity, and (iv) any
21 political committee for which the business entity applying for
22 or holding a license, or any 501(c) organization described in
23 item (iii) related to that business entity, is the sponsoring
24 entity, as defined in Section 9-3 of the Election Code. For
25 purposes of item (iv), the funding of all business entities
26 applying for or holding a license shall be aggregated in

1 determining whether such political committee is an affiliated
2 entity.

3 "Affiliated person" means (i) any person with any ownership
4 interest or distributive share in excess of 7.5% of any
5 business entity applying for or holding a license, (ii)
6 executive employees of any such business entity, (iii) any
7 person designated as a person of significant influence and
8 control under the Video Gaming Act, and (iv) the spouse of such
9 persons.

10 "Business entity" means any entity doing business for
11 profit, whether organized as a corporation, partnership, sole
12 proprietorship, limited liability company, or partnership or
13 otherwise.

14 "Contribution" means a contribution as defined in Section
15 9-1.4 of the Election Code.

16 "Declared candidate" means a person who has filed a
17 statement of candidacy and petition for nomination or election
18 in the principal office of the State Board of Elections, or in
19 the office of the appropriate election authority for any county
20 or municipality in which a video gaming terminal is located or
21 proposed or which receives any video gaming revenue, for the
22 office of Governor, Lieutenant Governor, Attorney General,
23 Secretary of State, Comptroller, Treasurer, member of the
24 General Assembly, chief executive or any member of the
25 legislative body of any municipality in which a video gaming
26 terminal is located or proposed or which receives any video

1 gaming revenue, or chief executive or any member of the
2 legislative body of any county containing any unincorporated
3 area in which a video gaming terminal is located or which
4 receives any video gaming revenue.

5 "Executive employee" means any person who is an officer or
6 director or who fulfills duties equivalent to those of an
7 officer or director of a business entity applying for or
8 holding a license; and (ii) any employee of such business
9 entity who is required to register under the Lobbyist
10 Registration Act.

11 "License" means any license issued pursuant to this Act.

12 "Officeholder" means the Governor, the Lieutenant
13 Governor, the Attorney General, the Secretary of State, the
14 Comptroller, the Treasurer, a member of the General Assembly,
15 the chief executive or any member of the legislative body of
16 any municipality in which a video gaming terminal is located or
17 proposed or which receives any video gaming revenue, or the
18 chief executive or any member of the legislative body of any
19 county containing any unincorporated area in which a video
20 gaming terminal is located or which receives any video gaming
21 revenue.

22 (c) Any person or business entity applying for or holding a
23 manufacturer or distributor license, any affiliated entities
24 or persons of such business entity, and any entities or persons
25 soliciting a contribution or causing a contribution to be made
26 on behalf of such person or business entity, are prohibited

1 from making any contribution to any officeholder or declared
2 candidate or any political committee affiliated with any
3 officeholder or declared candidate, as defined in Section 9-1.8
4 of the Election Code.

5 The Board shall have authority to suspend, revoke, or
6 restrict the license and to impose civil penalties of up to
7 \$100,000, for each violation of this subsection (c). A notice
8 of each such violation and the penalty imposed shall be
9 published on the Board's website and in the Illinois Register.
10 Payments received by the State pursuant to this subsection
11 shall be deposited into the General Revenue Fund.

12 Any person or business entity applying for or holding a
13 terminal operator license, any affiliated entities or persons
14 of such business entity, and any entities or persons soliciting
15 a contribution or causing a contribution to be made on behalf
16 of such person or business entity, are prohibited from making
17 any contribution to any officeholder or declared candidate or
18 any political committee affiliated with any officeholder or
19 declared candidate, as defined in Section 9-1.8 of the Election
20 Code, except that any such person or entity may make a
21 contribution to the chief executive or any member of the
22 legislative body of any municipality in which a video gaming
23 terminal is located or proposed or which receives any video
24 gaming revenue, the chief executive or any member of the
25 legislative body of any county containing any unincorporated
26 area in which a video gaming terminal is located or which

1 receives any video gaming revenue, or any declared candidates
2 for such offices, so long as the video gaming terminal
3 associated with the terminal operator license held or applied
4 for is not located in the same municipality or county in which
5 the officeholder or declared candidate holds or is seeking
6 office. This prohibition shall commence upon filing of an
7 application for a license and shall continue for a period of 2
8 years after termination, suspension, or revocation of the
9 license.

10 Any officeholder or declared candidate or any political
11 committee affiliated with any officeholder or declared
12 candidate that has received a contribution in violation of this
13 subsection (c) shall pay an amount equal to the value of the
14 contribution to the State no more than 30 days after notice of
15 the violation concerning the contribution appears in the
16 Illinois Register. Payments received by the State pursuant to
17 this subsection shall be deposited into the General Revenue
18 Fund.

19 The provisions of this subsection (c) shall apply only to
20 persons or entities applying for or holding a manufacturer
21 license, a distributor license, or a terminal operator license
22 and shall not apply to persons or entities applying for or
23 holding any other licenses under this Act.

24 (d) The Board shall post on its website a list of all
25 persons, business entities, and affiliated entities prohibited
26 from making contributions to any officeholder or declared

1 candidate political committee pursuant to subsection (c),
2 which list shall be updated and published on, at a minimum, a
3 semiannual basis.

4 Any person, business entity, or affiliated entity
5 prohibited from making contributions to any officeholder or
6 declared candidate political committee pursuant to subsection
7 (c) of this Section shall notify the Board within 7 days after
8 discovering any necessary change or addition to the information
9 relating to that person, business entity, or affiliated entity
10 contained in the list.

11 An individual who acts in good faith and in reliance on any
12 information contained in the list shall not be subject to any
13 penalties or liability imposed for a violation of this Section.

14 (e) If any provision of this Section is held invalid or its
15 application to any person or circumstance is held invalid, the
16 invalidity of that provision or application does not affect the
17 other provisions or applications of this Section that can be
18 given effect without the invalid application or provision.

19 Section 90-45. The Liquor Control Act of 1934 is amended by
20 changing Sections 5-1 and 6-30 as follows:

21 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

22 Sec. 5-1. Licenses issued by the Illinois Liquor Control
23 Commission shall be of the following classes:

24 (a) Manufacturer's license - Class 1. Distiller, Class 2.

1 Rectifier, Class 3. Brewer, Class 4. First Class Wine
2 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
3 First Class Winemaker, Class 7. Second Class Winemaker, Class
4 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
5 10. Craft Brewer,

6 (b) Distributor's license,

7 (c) Importing Distributor's license,

8 (d) Retailer's license,

9 (e) Special Event Retailer's license (not-for-profit),

10 (f) Railroad license,

11 (g) Boat license,

12 (h) Non-Beverage User's license,

13 (i) Wine-maker's premises license,

14 (j) Airplane license,

15 (k) Foreign importer's license,

16 (l) Broker's license,

17 (m) Non-resident dealer's license,

18 (n) Brew Pub license,

19 (o) Auction liquor license,

20 (p) Caterer retailer license,

21 (q) Special use permit license,

22 (r) Winery shipper's license.

23 No person, firm, partnership, corporation, or other legal
24 business entity that is engaged in the manufacturing of wine
25 may concurrently obtain and hold a wine-maker's license and a
26 wine manufacturer's license.

1 (a) A manufacturer's license shall allow the manufacture,
2 importation in bulk, storage, distribution and sale of
3 alcoholic liquor to persons without the State, as may be
4 permitted by law and to licensees in this State as follows:

5 Class 1. A Distiller may make sales and deliveries of
6 alcoholic liquor to distillers, rectifiers, importing
7 distributors, distributors and non-beverage users and to no
8 other licensees.

9 Class 2. A Rectifier, who is not a distiller, as defined
10 herein, may make sales and deliveries of alcoholic liquor to
11 rectifiers, importing distributors, distributors, retailers
12 and non-beverage users and to no other licensees.

13 Class 3. A Brewer may make sales and deliveries of beer to
14 importing distributors and distributors and may make sales as
15 authorized under subsection (e) of Section 6-4 of this Act.

16 Class 4. A first class wine-manufacturer may make sales and
17 deliveries of up to 50,000 gallons of wine to manufacturers,
18 importing distributors and distributors, and to no other
19 licensees.

20 Class 5. A second class Wine manufacturer may make sales
21 and deliveries of more than 50,000 gallons of wine to
22 manufacturers, importing distributors and distributors and to
23 no other licensees.

24 Class 6. A first-class wine-maker's license shall allow the
25 manufacture of up to 50,000 gallons of wine per year, and the
26 storage and sale of such wine to distributors in the State and

1 to persons without the State, as may be permitted by law. A
2 person who, prior to the effective date of this amendatory Act
3 of the 95th General Assembly, is a holder of a first-class
4 wine-maker's license and annually produces more than 25,000
5 gallons of its own wine and who distributes its wine to
6 licensed retailers shall cease this practice on or before July
7 1, 2008 in compliance with this amendatory Act of the 95th
8 General Assembly.

9 Class 7. A second-class wine-maker's license shall allow
10 the manufacture of between 50,000 and 150,000 gallons of wine
11 per year, and the storage and sale of such wine to distributors
12 in this State and to persons without the State, as may be
13 permitted by law. A person who, prior to the effective date of
14 this amendatory Act of the 95th General Assembly, is a holder
15 of a second-class wine-maker's license and annually produces
16 more than 25,000 gallons of its own wine and who distributes
17 its wine to licensed retailers shall cease this practice on or
18 before July 1, 2008 in compliance with this amendatory Act of
19 the 95th General Assembly.

20 Class 8. A limited wine-manufacturer may make sales and
21 deliveries not to exceed 40,000 gallons of wine per year to
22 distributors, and to non-licensees in accordance with the
23 provisions of this Act.

24 Class 9. A craft distiller license shall allow the
25 manufacture of up to 15,000 gallons of spirits by distillation
26 per year and the storage of such spirits. If a craft distiller

1 licensee is not affiliated with any other manufacturer, then
2 the craft distiller licensee may sell such spirits to
3 distributors in this State and non-licensees to the extent
4 permitted by any exemption approved by the Commission pursuant
5 to Section 6-4 of this Act.

6 Any craft distiller licensed under this Act who on the
7 effective date of this amendatory Act of the 96th General
8 Assembly was licensed as a distiller and manufactured no more
9 spirits than permitted by this Section shall not be required to
10 pay the initial licensing fee.

11 Class 10. A craft brewer's license, which may only be
12 issued to a licensed brewer or licensed non-resident dealer,
13 shall allow the manufacture of up to 465,000 gallons of beer
14 per year. A craft brewer licensee may make sales and deliveries
15 to importing distributors and distributors and to retail
16 licensees in accordance with the conditions set forth in
17 paragraph (18) of subsection (a) of Section 3-12 of this Act.

18 (a-1) A manufacturer which is licensed in this State to
19 make sales or deliveries of alcoholic liquor and which enlists
20 agents, representatives, or individuals acting on its behalf
21 who contact licensed retailers on a regular and continual basis
22 in this State must register those agents, representatives, or
23 persons acting on its behalf with the State Commission.

24 Registration of agents, representatives, or persons acting
25 on behalf of a manufacturer is fulfilled by submitting a form
26 to the Commission. The form shall be developed by the

1 Commission and shall include the name and address of the
2 applicant, the name and address of the manufacturer he or she
3 represents, the territory or areas assigned to sell to or
4 discuss pricing terms of alcoholic liquor, and any other
5 questions deemed appropriate and necessary. All statements in
6 the forms required to be made by law or by rule shall be deemed
7 material, and any person who knowingly misstates any material
8 fact under oath in an application is guilty of a Class B
9 misdemeanor. Fraud, misrepresentation, false statements,
10 misleading statements, evasions, or suppression of material
11 facts in the securing of a registration are grounds for
12 suspension or revocation of the registration.

13 (b) A distributor's license shall allow the wholesale
14 purchase and storage of alcoholic liquors and sale of alcoholic
15 liquors to licensees in this State and to persons without the
16 State, as may be permitted by law.

17 (c) An importing distributor's license may be issued to and
18 held by those only who are duly licensed distributors, upon the
19 filing of an application by a duly licensed distributor, with
20 the Commission and the Commission shall, without the payment of
21 any fee, immediately issue such importing distributor's
22 license to the applicant, which shall allow the importation of
23 alcoholic liquor by the licensee into this State from any point
24 in the United States outside this State, and the purchase of
25 alcoholic liquor in barrels, casks or other bulk containers and
26 the bottling of such alcoholic liquors before resale thereof,

1 but all bottles or containers so filled shall be sealed,
2 labeled, stamped and otherwise made to comply with all
3 provisions, rules and regulations governing manufacturers in
4 the preparation and bottling of alcoholic liquors. The
5 importing distributor's license shall permit such licensee to
6 purchase alcoholic liquor from Illinois licensed non-resident
7 dealers and foreign importers only.

8 (d) A retailer's license shall allow the licensee to sell
9 and offer for sale at retail, only in the premises specified in
10 the license, alcoholic liquor for use or consumption, but not
11 for resale in any form. Nothing in this amendatory Act of the
12 95th General Assembly shall deny, limit, remove, or restrict
13 the ability of a holder of a retailer's license to transfer,
14 deliver, or ship alcoholic liquor to the purchaser for use or
15 consumption subject to any applicable local law or ordinance.
16 Any retail license issued to a manufacturer shall only permit
17 the manufacturer to sell beer at retail on the premises
18 actually occupied by the manufacturer. For the purpose of
19 further describing the type of business conducted at a retail
20 licensed premises, a retailer's licensee may be designated by
21 the State Commission as (i) an on premise consumption retailer,
22 (ii) an off premise sale retailer, or (iii) a combined on
23 premise consumption and off premise sale retailer.

24 Notwithstanding any other provision of this subsection
25 (d), a retail licensee may sell alcoholic liquors to a special
26 event retailer licensee for resale to the extent permitted

1 under subsection (e).

2 (e) A special event retailer's license (not-for-profit)
3 shall permit the licensee to purchase alcoholic liquors from an
4 Illinois licensed distributor (unless the licensee purchases
5 less than \$500 of alcoholic liquors for the special event, in
6 which case the licensee may purchase the alcoholic liquors from
7 a licensed retailer) and shall allow the licensee to sell and
8 offer for sale, at retail, alcoholic liquors for use or
9 consumption, but not for resale in any form and only at the
10 location and on the specific dates designated for the special
11 event in the license. An applicant for a special event retailer
12 license must (i) furnish with the application: (A) a resale
13 number issued under Section 2c of the Retailers' Occupation Tax
14 Act or evidence that the applicant is registered under Section
15 2a of the Retailers' Occupation Tax Act, (B) a current, valid
16 exemption identification number issued under Section 1g of the
17 Retailers' Occupation Tax Act, and a certification to the
18 Commission that the purchase of alcoholic liquors will be a
19 tax-exempt purchase, or (C) a statement that the applicant is
20 not registered under Section 2a of the Retailers' Occupation
21 Tax Act, does not hold a resale number under Section 2c of the
22 Retailers' Occupation Tax Act, and does not hold an exemption
23 number under Section 1g of the Retailers' Occupation Tax Act,
24 in which event the Commission shall set forth on the special
25 event retailer's license a statement to that effect; (ii)
26 submit with the application proof satisfactory to the State

1 Commission that the applicant will provide dram shop liability
2 insurance in the maximum limits; and (iii) show proof
3 satisfactory to the State Commission that the applicant has
4 obtained local authority approval.

5 (f) A railroad license shall permit the licensee to import
6 alcoholic liquors into this State from any point in the United
7 States outside this State and to store such alcoholic liquors
8 in this State; to make wholesale purchases of alcoholic liquors
9 directly from manufacturers, foreign importers, distributors
10 and importing distributors from within or outside this State;
11 and to store such alcoholic liquors in this State; provided
12 that the above powers may be exercised only in connection with
13 the importation, purchase or storage of alcoholic liquors to be
14 sold or dispensed on a club, buffet, lounge or dining car
15 operated on an electric, gas or steam railway in this State;
16 and provided further, that railroad licensees exercising the
17 above powers shall be subject to all provisions of Article VIII
18 of this Act as applied to importing distributors. A railroad
19 license shall also permit the licensee to sell or dispense
20 alcoholic liquors on any club, buffet, lounge or dining car
21 operated on an electric, gas or steam railway regularly
22 operated by a common carrier in this State, but shall not
23 permit the sale for resale of any alcoholic liquors to any
24 licensee within this State. A license shall be obtained for
25 each car in which such sales are made.

26 (g) A boat license shall allow the sale of alcoholic liquor

1 in individual drinks, on any passenger boat regularly operated
 2 as a common carrier on navigable waters in this State or on any
 3 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
 4 which boat or riverboat maintains a public dining room or
 5 restaurant thereon.

6 (h) A non-beverage user's license shall allow the licensee
 7 to purchase alcoholic liquor from a licensed manufacturer or
 8 importing distributor, without the imposition of any tax upon
 9 the business of such licensed manufacturer or importing
 10 distributor as to such alcoholic liquor to be used by such
 11 licensee solely for the non-beverage purposes set forth in
 12 subsection (a) of Section 8-1 of this Act, and such licenses
 13 shall be divided and classified and shall permit the purchase,
 14 possession and use of limited and stated quantities of
 15 alcoholic liquor as follows:

- 16 Class 1, not to exceed 500 gallons
- 17 Class 2, not to exceed 1,000 gallons
- 18 Class 3, not to exceed 5,000 gallons
- 19 Class 4, not to exceed 10,000 gallons
- 20 Class 5, not to exceed 50,000 gallons

21 (i) A wine-maker's premises license shall allow a licensee
 22 that concurrently holds a first-class wine-maker's license to
 23 sell and offer for sale at retail in the premises specified in
 24 such license not more than 50,000 gallons of the first-class
 25 wine-maker's wine that is made at the first-class wine-maker's
 26 licensed premises per year for use or consumption, but not for

1 resale in any form. A wine-maker's premises license shall allow
2 a licensee who concurrently holds a second-class wine-maker's
3 license to sell and offer for sale at retail in the premises
4 specified in such license up to 100,000 gallons of the
5 second-class wine-maker's wine that is made at the second-class
6 wine-maker's licensed premises per year for use or consumption
7 but not for resale in any form. A wine-maker's premises license
8 shall allow a licensee that concurrently holds a first-class
9 wine-maker's license or a second-class wine-maker's license to
10 sell and offer for sale at retail at the premises specified in
11 the wine-maker's premises license, for use or consumption but
12 not for resale in any form, any beer, wine, and spirits
13 purchased from a licensed distributor. Upon approval from the
14 State Commission, a wine-maker's premises license shall allow
15 the licensee to sell and offer for sale at (i) the wine-maker's
16 licensed premises and (ii) at up to 2 additional locations for
17 use and consumption and not for resale. Each location shall
18 require additional licensing per location as specified in
19 Section 5-3 of this Act. A wine-maker's premises licensee shall
20 secure liquor liability insurance coverage in an amount at
21 least equal to the maximum liability amounts set forth in
22 subsection (a) of Section 6-21 of this Act.

23 (j) An airplane license shall permit the licensee to import
24 alcoholic liquors into this State from any point in the United
25 States outside this State and to store such alcoholic liquors
26 in this State; to make wholesale purchases of alcoholic liquors

1 directly from manufacturers, foreign importers, distributors
2 and importing distributors from within or outside this State;
3 and to store such alcoholic liquors in this State; provided
4 that the above powers may be exercised only in connection with
5 the importation, purchase or storage of alcoholic liquors to be
6 sold or dispensed on an airplane; and provided further, that
7 airplane licensees exercising the above powers shall be subject
8 to all provisions of Article VIII of this Act as applied to
9 importing distributors. An airplane licensee shall also permit
10 the sale or dispensing of alcoholic liquors on any passenger
11 airplane regularly operated by a common carrier in this State,
12 but shall not permit the sale for resale of any alcoholic
13 liquors to any licensee within this State. A single airplane
14 license shall be required of an airline company if liquor
15 service is provided on board aircraft in this State. The annual
16 fee for such license shall be as determined in Section 5-3.

17 (k) A foreign importer's license shall permit such licensee
18 to purchase alcoholic liquor from Illinois licensed
19 non-resident dealers only, and to import alcoholic liquor other
20 than in bulk from any point outside the United States and to
21 sell such alcoholic liquor to Illinois licensed importing
22 distributors and to no one else in Illinois; provided that (i)
23 the foreign importer registers with the State Commission every
24 brand of alcoholic liquor that it proposes to sell to Illinois
25 licensees during the license period, (ii) the foreign importer
26 complies with all of the provisions of Section 6-9 of this Act

1 with respect to registration of such Illinois licensees as may
2 be granted the right to sell such brands at wholesale, and
3 (iii) the foreign importer complies with the provisions of
4 Sections 6-5 and 6-6 of this Act to the same extent that these
5 provisions apply to manufacturers.

6 (1) (i) A broker's license shall be required of all persons
7 who solicit orders for, offer to sell or offer to supply
8 alcoholic liquor to retailers in the State of Illinois, or who
9 offer to retailers to ship or cause to be shipped or to make
10 contact with distillers, rectifiers, brewers or manufacturers
11 or any other party within or without the State of Illinois in
12 order that alcoholic liquors be shipped to a distributor,
13 importing distributor or foreign importer, whether such
14 solicitation or offer is consummated within or without the
15 State of Illinois.

16 No holder of a retailer's license issued by the Illinois
17 Liquor Control Commission shall purchase or receive any
18 alcoholic liquor, the order for which was solicited or offered
19 for sale to such retailer by a broker unless the broker is the
20 holder of a valid broker's license.

21 The broker shall, upon the acceptance by a retailer of the
22 broker's solicitation of an order or offer to sell or supply or
23 deliver or have delivered alcoholic liquors, promptly forward
24 to the Illinois Liquor Control Commission a notification of
25 said transaction in such form as the Commission may by
26 regulations prescribe.

1 (ii) A broker's license shall be required of a person
2 within this State, other than a retail licensee, who, for a fee
3 or commission, promotes, solicits, or accepts orders for
4 alcoholic liquor, for use or consumption and not for resale, to
5 be shipped from this State and delivered to residents outside
6 of this State by an express company, common carrier, or
7 contract carrier. This Section does not apply to any person who
8 promotes, solicits, or accepts orders for wine as specifically
9 authorized in Section 6-29 of this Act.

10 A broker's license under this subsection (1) shall not
11 entitle the holder to buy or sell any alcoholic liquors for his
12 own account or to take or deliver title to such alcoholic
13 liquors.

14 This subsection (1) shall not apply to distributors,
15 employees of distributors, or employees of a manufacturer who
16 has registered the trademark, brand or name of the alcoholic
17 liquor pursuant to Section 6-9 of this Act, and who regularly
18 sells such alcoholic liquor in the State of Illinois only to
19 its registrants thereunder.

20 Any agent, representative, or person subject to
21 registration pursuant to subsection (a-1) of this Section shall
22 not be eligible to receive a broker's license.

23 (m) A non-resident dealer's license shall permit such
24 licensee to ship into and warehouse alcoholic liquor into this
25 State from any point outside of this State, and to sell such
26 alcoholic liquor to Illinois licensed foreign importers and

1 importing distributors and to no one else in this State;
2 provided that (i) said non-resident dealer shall register with
3 the Illinois Liquor Control Commission each and every brand of
4 alcoholic liquor which it proposes to sell to Illinois
5 licensees during the license period, (ii) it shall comply with
6 all of the provisions of Section 6-9 hereof with respect to
7 registration of such Illinois licensees as may be granted the
8 right to sell such brands at wholesale, and (iii) the
9 non-resident dealer shall comply with the provisions of
10 Sections 6-5 and 6-6 of this Act to the same extent that these
11 provisions apply to manufacturers.

12 (n) A brew pub license shall allow the licensee (i) to
13 manufacture beer only on the premises specified in the license,
14 (ii) to make sales of the beer manufactured on the premises or,
15 with the approval of the Commission, beer manufactured on
16 another brew pub licensed premises that is substantially owned
17 and operated by the same licensee to importing distributors,
18 distributors, and to non-licensees for use and consumption,
19 (iii) to store the beer upon the premises, and (iv) to sell and
20 offer for sale at retail from the licensed premises, provided
21 that a brew pub licensee shall not sell for off-premises
22 consumption more than 50,000 gallons per year. A person who
23 holds a brew pub license may simultaneously hold a craft brewer
24 license if he or she otherwise qualifies for the craft brewer
25 license and the craft brewer license is for a location separate
26 from the brew pub's licensed premises. A brew pub license shall

1 permit a person who has received prior approval from the
2 Commission to annually transfer no more than a total of 50,000
3 gallons of beer manufactured on premises to all other licensed
4 brew pubs that are substantially owned and operated by the same
5 person.

6 (o) A caterer retailer license shall allow the holder to
7 serve alcoholic liquors as an incidental part of a food service
8 that serves prepared meals which excludes the serving of snacks
9 as the primary meal, either on or off-site whether licensed or
10 unlicensed.

11 (p) An auction liquor license shall allow the licensee to
12 sell and offer for sale at auction wine and spirits for use or
13 consumption, or for resale by an Illinois liquor licensee in
14 accordance with provisions of this Act. An auction liquor
15 license will be issued to a person and it will permit the
16 auction liquor licensee to hold the auction anywhere in the
17 State. An auction liquor license must be obtained for each
18 auction at least 14 days in advance of the auction date.

19 (q) A special use permit license shall allow an Illinois
20 licensed retailer to transfer a portion of its alcoholic liquor
21 inventory from its retail licensed premises to the premises
22 specified in the license hereby created, and to sell or offer
23 for sale at retail, only in the premises specified in the
24 license hereby created, the transferred alcoholic liquor for
25 use or consumption, but not for resale in any form. A special
26 use permit license may be granted for the following time

1 periods: one day or less; 2 or more days to a maximum of 15 days
2 per location in any 12 month period. An applicant for the
3 special use permit license must also submit with the
4 application proof satisfactory to the State Commission that the
5 applicant will provide dram shop liability insurance to the
6 maximum limits and have local authority approval.

7 (r) A winery shipper's license shall allow a person with a
8 first-class or second-class wine manufacturer's license, a
9 first-class or second-class wine-maker's license, or a limited
10 wine manufacturer's license or who is licensed to make wine
11 under the laws of another state to ship wine made by that
12 licensee directly to a resident of this State who is 21 years
13 of age or older for that resident's personal use and not for
14 resale. Prior to receiving a winery shipper's license, an
15 applicant for the license must provide the Commission with a
16 true copy of its current license in any state in which it is
17 licensed as a manufacturer of wine. An applicant for a winery
18 shipper's license must also complete an application form that
19 provides any other information the Commission deems necessary.
20 The application form shall include an acknowledgement
21 consenting to the jurisdiction of the Commission, the Illinois
22 Department of Revenue, and the courts of this State concerning
23 the enforcement of this Act and any related laws, rules, and
24 regulations, including authorizing the Department of Revenue
25 and the Commission to conduct audits for the purpose of
26 ensuring compliance with this amendatory Act.

1 A winery shipper licensee must pay to the Department of
2 Revenue the State liquor gallonage tax under Section 8-1 for
3 all wine that is sold by the licensee and shipped to a person
4 in this State. For the purposes of Section 8-1, a winery
5 shipper licensee shall be taxed in the same manner as a
6 manufacturer of wine. A licensee who is not otherwise required
7 to register under the Retailers' Occupation Tax Act must
8 register under the Use Tax Act to collect and remit use tax to
9 the Department of Revenue for all gallons of wine that are sold
10 by the licensee and shipped to persons in this State. If a
11 licensee fails to remit the tax imposed under this Act in
12 accordance with the provisions of Article VIII of this Act, the
13 winery shipper's license shall be revoked in accordance with
14 the provisions of Article VII of this Act. If a licensee fails
15 to properly register and remit tax under the Use Tax Act or the
16 Retailers' Occupation Tax Act for all wine that is sold by the
17 winery shipper and shipped to persons in this State, the winery
18 shipper's license shall be revoked in accordance with the
19 provisions of Article VII of this Act.

20 A winery shipper licensee must collect, maintain, and
21 submit to the Commission on a semi-annual basis the total
22 number of cases per resident of wine shipped to residents of
23 this State. A winery shipper licensed under this subsection (r)
24 must comply with the requirements of Section 6-29 of this
25 amendatory Act.

26 (Source: P.A. 96-1367, eff. 7-28-10; 97-5, eff. 6-1-11; 97-455,

1 eff. 8-19-11; 97-813, eff. 7-13-12.)

2 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

3 Sec. 6-30. Notwithstanding any other provision of this Act,
4 the Illinois Gaming Board shall have exclusive authority to
5 establish the hours for sale and consumption of alcoholic
6 liquor on board a riverboat during riverboat gambling
7 excursions and in a casino conducted in accordance with the
8 Illinois Riverboat ~~Riverboat~~ Gambling Act.

9 (Source: P.A. 87-826.)

10 Section 90-50. The Criminal Code of 2012 is amended by
11 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
12 follows:

13 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

14 Sec. 28-1. Gambling.

15 (a) A person commits gambling when he or she:

16 (1) knowingly plays a game of chance or skill for money
17 or other thing of value, unless excepted in subsection (b)
18 of this Section;

19 (2) knowingly makes a wager upon the result of any
20 game, contest, or any political nomination, appointment or
21 election;

22 (3) knowingly operates, keeps, owns, uses, purchases,
23 exhibits, rents, sells, bargains for the sale or lease of,

1 manufactures or distributes any gambling device;

2 (4) contracts to have or give himself or herself or
3 another the option to buy or sell, or contracts to buy or
4 sell, at a future time, any grain or other commodity
5 whatsoever, or any stock or security of any company, where
6 it is at the time of making such contract intended by both
7 parties thereto that the contract to buy or sell, or the
8 option, whenever exercised, or the contract resulting
9 therefrom, shall be settled, not by the receipt or delivery
10 of such property, but by the payment only of differences in
11 prices thereof; however, the issuance, purchase, sale,
12 exercise, endorsement or guarantee, by or through a person
13 registered with the Secretary of State pursuant to Section
14 8 of the Illinois Securities Law of 1953, or by or through
15 a person exempt from such registration under said Section
16 8, of a put, call, or other option to buy or sell
17 securities which have been registered with the Secretary of
18 State or which are exempt from such registration under
19 Section 3 of the Illinois Securities Law of 1953 is not
20 gambling within the meaning of this paragraph (4);

21 (5) knowingly owns or possesses any book, instrument or
22 apparatus by means of which bets or wagers have been, or
23 are, recorded or registered, or knowingly possesses any
24 money which he has received in the course of a bet or
25 wager;

26 (6) knowingly sells pools upon the result of any game

1 or contest of skill or chance, political nomination,
2 appointment or election;

3 (7) knowingly sets up or promotes any lottery or sells,
4 offers to sell or transfers any ticket or share for any
5 lottery;

6 (8) knowingly sets up or promotes any policy game or
7 sells, offers to sell or knowingly possesses or transfers
8 any policy ticket, slip, record, document or other similar
9 device;

10 (9) knowingly drafts, prints or publishes any lottery
11 ticket or share, or any policy ticket, slip, record,
12 document or similar device, except for such activity
13 related to lotteries, bingo games and raffles authorized by
14 and conducted in accordance with the laws of Illinois or
15 any other state or foreign government;

16 (10) knowingly advertises any lottery or policy game,
17 except for such activity related to lotteries, bingo games
18 and raffles authorized by and conducted in accordance with
19 the laws of Illinois or any other state;

20 (11) knowingly transmits information as to wagers,
21 betting odds, or changes in betting odds by telephone,
22 telegraph, radio, semaphore or similar means; or knowingly
23 installs or maintains equipment for the transmission or
24 receipt of such information; except that nothing in this
25 subdivision (11) prohibits transmission or receipt of such
26 information for use in news reporting of sporting events or

1 contests; or

2 (12) knowingly establishes, maintains, or operates an
3 Internet site that permits a person to play a game of
4 chance or skill for money or other thing of value by means
5 of the Internet or to make a wager upon the result of any
6 game, contest, political nomination, appointment, or
7 election by means of the Internet. This item (12) does not
8 apply to activities referenced in items (6) and (6.1) of
9 subsection (b) of this Section.

10 (b) Participants in any of the following activities shall
11 not be convicted of gambling:

12 (1) Agreements to compensate for loss caused by the
13 happening of chance including without limitation contracts
14 of indemnity or guaranty and life or health or accident
15 insurance.

16 (2) Offers of prizes, award or compensation to the
17 actual contestants in any bona fide contest for the
18 determination of skill, speed, strength or endurance or to
19 the owners of animals or vehicles entered in such contest.

20 (3) Pari-mutuel betting as authorized by the law of
21 this State.

22 (4) Manufacture of gambling devices, including the
23 acquisition of essential parts therefor and the assembly
24 thereof, for transportation in interstate or foreign
25 commerce to any place outside this State when such
26 transportation is not prohibited by any applicable Federal

1 law; or the manufacture, distribution, or possession of
2 video gaming terminals, as defined in the Video Gaming Act,
3 by manufacturers, distributors, and terminal operators
4 licensed to do so under the Video Gaming Act.

5 (5) The game commonly known as "bingo", when conducted
6 in accordance with the Bingo License and Tax Act.

7 (6) Lotteries when conducted by the State of Illinois
8 in accordance with the Illinois Lottery Law. This exemption
9 includes any activity conducted by the Department of
10 Revenue to sell lottery tickets pursuant to the provisions
11 of the Illinois Lottery Law and its rules.

12 (6.1) The purchase of lottery tickets through the
13 Internet for a lottery conducted by the State of Illinois
14 under the program established in Section 7.12 of the
15 Illinois Lottery Law.

16 (7) Possession of an antique slot machine that is
17 neither used nor intended to be used in the operation or
18 promotion of any unlawful gambling activity or enterprise.
19 For the purpose of this subparagraph (b)(7), an antique
20 slot machine is one manufactured 25 years ago or earlier.

21 (8) Raffles when conducted in accordance with the
22 Raffles Act.

23 (9) Charitable games when conducted in accordance with
24 the Charitable Games Act.

25 (10) Pull tabs and jar games when conducted under the
26 Illinois Pull Tabs and Jar Games Act.

1 (11) Gambling games ~~conducted on riverboats~~ when
2 authorized by the Illinois Riverboat Gambling Act.

3 (12) Video gaming terminal games at a licensed
4 establishment, licensed truck stop establishment, licensed
5 fraternal establishment, or licensed veterans
6 establishment when conducted in accordance with the Video
7 Gaming Act.

8 (13) Games of skill or chance where money or other
9 things of value can be won but no payment or purchase is
10 required to participate.

11 (c) Sentence.

12 Gambling is a Class A misdemeanor. A second or subsequent
13 conviction under subsections (a) (3) through (a) (12), is a Class
14 4 felony.

15 (d) Circumstantial evidence.

16 In prosecutions under this Section circumstantial evidence
17 shall have the same validity and weight as in any criminal
18 prosecution.

19 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
20 96-1203, eff. 7-22-10; 97-1108, eff. 1-1-13.)

21 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

22 Sec. 28-1.1. Syndicated gambling.

23 (a) Declaration of Purpose. Recognizing the close
24 relationship between professional gambling and other organized
25 crime, it is declared to be the policy of the legislature to

1 restrain persons from engaging in the business of gambling for
2 profit in this State. This Section shall be liberally construed
3 and administered with a view to carrying out this policy.

4 (b) A person commits syndicated gambling when he or she
5 operates a "policy game" or engages in the business of
6 bookmaking.

7 (c) A person "operates a policy game" when he or she
8 knowingly uses any premises or property for the purpose of
9 receiving or knowingly does receive from what is commonly
10 called "policy":

11 (1) money from a person other than the bettor or player
12 whose bets or plays are represented by the money; or

13 (2) written "policy game" records, made or used over
14 any period of time, from a person other than the bettor or
15 player whose bets or plays are represented by the written
16 record.

17 (d) A person engages in bookmaking when he or she knowingly
18 receives or accepts more than five bets or wagers upon the
19 result of any trials or contests of skill, speed or power of
20 endurance or upon any lot, chance, casualty, unknown or
21 contingent event whatsoever, which bets or wagers shall be of
22 such size that the total of the amounts of money paid or
23 promised to be paid to the bookmaker on account thereof shall
24 exceed \$2,000. Bookmaking is the receiving or accepting of bets
25 or wagers regardless of the form or manner in which the
26 bookmaker records them.

1 (e) Participants in any of the following activities shall
2 not be convicted of syndicated gambling:

3 (1) Agreements to compensate for loss caused by the
4 happening of chance including without limitation contracts
5 of indemnity or guaranty and life or health or accident
6 insurance;

7 (2) Offers of prizes, award or compensation to the
8 actual contestants in any bona fide contest for the
9 determination of skill, speed, strength or endurance or to
10 the owners of animals or vehicles entered in the contest;

11 (3) Pari-mutuel betting as authorized by law of this
12 State;

13 (4) Manufacture of gambling devices, including the
14 acquisition of essential parts therefor and the assembly
15 thereof, for transportation in interstate or foreign
16 commerce to any place outside this State when the
17 transportation is not prohibited by any applicable Federal
18 law;

19 (5) Raffles when conducted in accordance with the
20 Raffles Act;

21 (6) Gambling games conducted on riverboats, in
22 casinos, or at electronic gaming facilities when
23 authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act; and

24 (7) Video gaming terminal games at a licensed
25 establishment, licensed truck stop establishment, licensed
26 fraternal establishment, or licensed veterans

1 establishment when conducted in accordance with the Video
2 Gaming Act.

3 (f) Sentence. Syndicated gambling is a Class 3 felony.
4 (Source: P.A. 96-34, eff. 7-13-09; 97-1108, eff. 1-1-13.)

5 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

6 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
7 any real estate, vehicle, boat or any other property whatsoever
8 used for the purposes of gambling other than gambling conducted
9 in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act
10 or the Video Gaming Act. Any person who knowingly permits any
11 premises or property owned or occupied by him or under his
12 control to be used as a gambling place commits a Class A
13 misdemeanor. Each subsequent offense is a Class 4 felony. When
14 any premises is determined by the circuit court to be a
15 gambling place:

16 (a) Such premises is a public nuisance and may be proceeded
17 against as such, and

18 (b) All licenses, permits or certificates issued by the
19 State of Illinois or any subdivision or public agency thereof
20 authorizing the serving of food or liquor on such premises
21 shall be void; and no license, permit or certificate so
22 cancelled shall be reissued for such premises for a period of
23 60 days thereafter; nor shall any person convicted of keeping a
24 gambling place be reissued such license for one year from his
25 conviction and, after a second conviction of keeping a gambling

1 place, any such person shall not be reissued such license, and

2 (c) Such premises of any person who knowingly permits
3 thereon a violation of any Section of this Article shall be
4 held liable for, and may be sold to pay any unsatisfied
5 judgment that may be recovered and any unsatisfied fine that
6 may be levied under any Section of this Article.

7 (Source: P.A. 96-34, eff. 7-13-09.)

8 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

9 Sec. 28-5. Seizure of gambling devices and gambling funds.

10 (a) Every device designed for gambling which is incapable
11 of lawful use or every device used unlawfully for gambling
12 shall be considered a "gambling device", and shall be subject
13 to seizure, confiscation and destruction by the Department of
14 State Police or by any municipal, or other local authority,
15 within whose jurisdiction the same may be found. As used in
16 this Section, a "gambling device" includes any slot machine,
17 and includes any machine or device constructed for the
18 reception of money or other thing of value and so constructed
19 as to return, or to cause someone to return, on chance to the
20 player thereof money, property or a right to receive money or
21 property. With the exception of any device designed for
22 gambling which is incapable of lawful use, no gambling device
23 shall be forfeited or destroyed unless an individual with a
24 property interest in said device knows of the unlawful use of
25 the device.

1 (b) Every gambling device shall be seized and forfeited to
2 the county wherein such seizure occurs. Any money or other
3 thing of value integrally related to acts of gambling shall be
4 seized and forfeited to the county wherein such seizure occurs.

5 (c) If, within 60 days after any seizure pursuant to
6 subparagraph (b) of this Section, a person having any property
7 interest in the seized property is charged with an offense, the
8 court which renders judgment upon such charge shall, within 30
9 days after such judgment, conduct a forfeiture hearing to
10 determine whether such property was a gambling device at the
11 time of seizure. Such hearing shall be commenced by a written
12 petition by the State, including material allegations of fact,
13 the name and address of every person determined by the State to
14 have any property interest in the seized property, a
15 representation that written notice of the date, time and place
16 of such hearing has been mailed to every such person by
17 certified mail at least 10 days before such date, and a request
18 for forfeiture. Every such person may appear as a party and
19 present evidence at such hearing. The quantum of proof required
20 shall be a preponderance of the evidence, and the burden of
21 proof shall be on the State. If the court determines that the
22 seized property was a gambling device at the time of seizure,
23 an order of forfeiture and disposition of the seized property
24 shall be entered: a gambling device shall be received by the
25 State's Attorney, who shall effect its destruction, except that
26 valuable parts thereof may be liquidated and the resultant

1 money shall be deposited in the general fund of the county
2 wherein such seizure occurred; money and other things of value
3 shall be received by the State's Attorney and, upon
4 liquidation, shall be deposited in the general fund of the
5 county wherein such seizure occurred. However, in the event
6 that a defendant raises the defense that the seized slot
7 machine is an antique slot machine described in subparagraph
8 (b) (7) of Section 28-1 of this Code and therefore he is exempt
9 from the charge of a gambling activity participant, the seized
10 antique slot machine shall not be destroyed or otherwise
11 altered until a final determination is made by the Court as to
12 whether it is such an antique slot machine. Upon a final
13 determination by the Court of this question in favor of the
14 defendant, such slot machine shall be immediately returned to
15 the defendant. Such order of forfeiture and disposition shall,
16 for the purposes of appeal, be a final order and judgment in a
17 civil proceeding.

18 (d) If a seizure pursuant to subparagraph (b) of this
19 Section is not followed by a charge pursuant to subparagraph
20 (c) of this Section, or if the prosecution of such charge is
21 permanently terminated or indefinitely discontinued without
22 any judgment of conviction or acquittal (1) the State's
23 Attorney shall commence an in rem proceeding for the forfeiture
24 and destruction of a gambling device, or for the forfeiture and
25 deposit in the general fund of the county of any seized money
26 or other things of value, or both, in the circuit court and (2)

1 any person having any property interest in such seized gambling
2 device, money or other thing of value may commence separate
3 civil proceedings in the manner provided by law.

4 (e) Any gambling device displayed for sale to a riverboat
5 gambling operation, casino gambling operation, or electronic
6 gaming facility or used to train occupational licensees of a
7 riverboat gambling operation, casino gambling operation, or
8 electronic gaming facility as authorized under the Illinois
9 ~~Riverboat~~ Gambling Act is exempt from seizure under this
10 Section.

11 (f) Any gambling equipment, devices and supplies provided
12 by a licensed supplier in accordance with the Illinois
13 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
14 casino, or electronic gaming facility for repair are exempt
15 from seizure under this Section.

16 (Source: P.A. 87-826.)

17 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

18 Sec. 28-7. Gambling contracts void.

19 (a) All promises, notes, bills, bonds, covenants,
20 contracts, agreements, judgments, mortgages, or other
21 securities or conveyances made, given, granted, drawn, or
22 entered into, or executed by any person whatsoever, where the
23 whole or any part of the consideration thereof is for any money
24 or thing of value, won or obtained in violation of any Section
25 of this Article are null and void.

1 (b) Any obligation void under this Section may be set aside
2 and vacated by any court of competent jurisdiction, upon a
3 complaint filed for that purpose, by the person so granting,
4 giving, entering into, or executing the same, or by his
5 executors or administrators, or by any creditor, heir, legatee,
6 purchaser or other person interested therein; or if a judgment,
7 the same may be set aside on motion of any person stated above,
8 on due notice thereof given.

9 (c) No assignment of any obligation void under this Section
10 may in any manner affect the defense of the person giving,
11 granting, drawing, entering into or executing such obligation,
12 or the remedies of any person interested therein.

13 (d) This Section shall not prevent a licensed owner of a
14 riverboat gambling operation, casino gambling operation, or an
15 electronic gaming licensee under the Illinois Gambling Act and
16 the Illinois Horse Racing Act of 1975 from instituting a cause
17 of action to collect any amount due and owing under an
18 extension of credit to a ~~riverboat~~ gambling patron as
19 authorized under Section 11.1 of the Illinois Riverboat
20 Gambling Act.

21 (Source: P.A. 87-826.)

22 Section 90-55. The Eminent Domain Act is amended by adding
23 Section 15-5-47 as follows:

24 (735 ILCS 30/15-5-47 new)

1 Sec. 15-5-47. Eminent domain powers in new Acts. The
2 following provisions of law may include express grants of the
3 power to acquire property by condemnation or eminent domain:

4 Chicago Casino Development Authority Act; City of Chicago; for
5 the purposes of the Act.

6 Section 90-60. The Payday Loan Reform Act is amended by
7 changing Section 3-5 as follows:

8 (815 ILCS 122/3-5)

9 Sec. 3-5. Licensure.

10 (a) A license to make a payday loan shall state the
11 address, including city and state, at which the business is to
12 be conducted and shall state fully the name of the licensee.
13 The license shall be conspicuously posted in the place of
14 business of the licensee and shall not be transferable or
15 assignable.

16 (b) An application for a license shall be in writing and in
17 a form prescribed by the Secretary. The Secretary may not issue
18 a payday loan license unless and until the following findings
19 are made:

20 (1) that the financial responsibility, experience,
21 character, and general fitness of the applicant are such as
22 to command the confidence of the public and to warrant the
23 belief that the business will be operated lawfully and

1 fairly and within the provisions and purposes of this Act;
2 and

3 (2) that the applicant has submitted such other
4 information as the Secretary may deem necessary.

5 (c) A license shall be issued for no longer than one year,
6 and no renewal of a license may be provided if a licensee has
7 substantially violated this Act and has not cured the violation
8 to the satisfaction of the Department.

9 (d) A licensee shall appoint, in writing, the Secretary as
10 attorney-in-fact upon whom all lawful process against the
11 licensee may be served with the same legal force and validity
12 as if served on the licensee. A copy of the written
13 appointment, duly certified, shall be filed in the office of
14 the Secretary, and a copy thereof certified by the Secretary
15 shall be sufficient evidence to subject a licensee to
16 jurisdiction in a court of law. This appointment shall remain
17 in effect while any liability remains outstanding in this State
18 against the licensee. When summons is served upon the Secretary
19 as attorney-in-fact for a licensee, the Secretary shall
20 immediately notify the licensee by registered mail, enclosing
21 the summons and specifying the hour and day of service.

22 (e) A licensee must pay an annual fee of \$1,000. In
23 addition to the license fee, the reasonable expense of any
24 examination or hearing by the Secretary under any provisions of
25 this Act shall be borne by the licensee. If a licensee fails to
26 renew its license by December 31, its license shall

1 automatically expire; however, the Secretary, in his or her
2 discretion, may reinstate an expired license upon:

3 (1) payment of the annual fee within 30 days of the
4 date of expiration; and

5 (2) proof of good cause for failure to renew.

6 (f) Not more than one place of business shall be maintained
7 under the same license, but the Secretary may issue more than
8 one license to the same licensee upon compliance with all the
9 provisions of this Act governing issuance of a single license.
10 The location, except those locations already in existence as of
11 June 1, 2005, may not be within one mile of a horse race track
12 subject to the Illinois Horse Racing Act of 1975, within one
13 mile of a facility at which gambling is conducted under the
14 Illinois ~~Riverboat~~ Gambling Act, within one mile of the
15 location at which a riverboat subject to the Illinois ~~Riverboat~~
16 Gambling Act docks, or within one mile of any State of Illinois
17 or United States military base or naval installation.

18 (g) No licensee shall conduct the business of making loans
19 under this Act within any office, suite, room, or place of
20 business in which (1) any loans are offered or made under the
21 Consumer Installment Loan Act other than title secured loans as
22 defined in subsection (a) of Section 15 of the Consumer
23 Installment Loan Act and governed by Title 38, Section 110.330
24 of the Illinois Administrative Code or (2) any other business
25 is solicited or engaged in unless the other business is
26 licensed by the Department or, in the opinion of the Secretary,

1 the other business would not be contrary to the best interests
2 of consumers and is authorized by the Secretary in writing.

3 (g-5) Notwithstanding subsection (g) of this Section, a
4 licensee may obtain a license under the Consumer Installment
5 Loan Act (CILA) for the exclusive purpose and use of making
6 title secured loans, as defined in subsection (a) of Section 15
7 of CILA and governed by Title 38, Section 110.300 of the
8 Illinois Administrative Code. A licensee may continue to
9 service Consumer Installment Loan Act loans that were
10 outstanding as of the effective date of this amendatory Act of
11 the 96th General Assembly.

12 (h) The Secretary shall maintain a list of licensees that
13 shall be available to interested consumers and lenders and the
14 public. The Secretary shall maintain a toll-free number whereby
15 consumers may obtain information about licensees. The
16 Secretary shall also establish a complaint process under which
17 an aggrieved consumer may file a complaint against a licensee
18 or non-licensee who violates any provision of this Act.

19 (Source: P.A. 96-936, eff. 3-21-11.)

20 Section 90-65. The Travel Promotion Consumer Protection
21 Act is amended by changing Section 2 as follows:

22 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

23 Sec. 2. Definitions.

24 (a) "Travel promoter" means a person, including a tour

1 operator, who sells, provides, furnishes, contracts for,
2 arranges or advertises that he or she will arrange wholesale or
3 retail transportation by air, land, sea or navigable stream,
4 either separately or in conjunction with other services.

5 "Travel promoter" does not include (1) an air carrier; (2) a
6 sea carrier; (3) an officially appointed agent of an air
7 carrier who is a member in good standing of the Airline
8 Reporting Corporation; (4) a travel promoter who has in force
9 \$1,000,000 or more of liability insurance coverage for
10 professional errors and omissions and a surety bond or
11 equivalent surety in the amount of \$100,000 or more for the
12 benefit of consumers in the event of a bankruptcy on the part
13 of the travel promoter; or (5) a riverboat subject to
14 regulation under the Illinois Riverboat ~~Gambling~~ Act.

15 (b) "Advertise" means to make any representation in the
16 solicitation of passengers and includes communication with
17 other members of the same partnership, corporation, joint
18 venture, association, organization, group or other entity.

19 (c) "Passenger" means a person on whose behalf money or
20 other consideration has been given or is to be given to
21 another, including another member of the same partnership,
22 corporation, joint venture, association, organization, group
23 or other entity, for travel.

24 (d) "Ticket or voucher" means a writing or combination of
25 writings which is itself good and sufficient to obtain
26 transportation and other services for which the passenger has

1 contracted.

2 (Source: P.A. 91-357, eff. 7-29-99.)

3 (30 ILCS 105/5.490 rep.)

4 Section 90-70. The State Finance Act is amended by
5 repealing Section 5.490.

6 (230 ILCS 5/54 rep.)

7 Section 90-75. The Illinois Horse Racing Act of 1975 is
8 amended by repealing Section 54.

9 ARTICLE 99.

10 Section 99-97. Severability. The provisions of this Act are
11 severable under Section 1.31 of the Statute on Statutes.

12 Section 99-99. Effective date. This Act takes effect upon
13 becoming law."